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Causes and consequences of employment flexibility among young people

*Recent developments
in the Netherlands and Europe*

Marloes de Lange

Causes and consequences of employment flexibility among young people

Recent developments in the Netherlands and Europe

Proefschrift

ter verkrijging van de graad van doctor
aan de Radboud Universiteit Nijmegen
op gezag van de rector magnificus prof. mr. S. C. J. J. Kortmann,
volgens besluit van het college van decanen
in het openbaar te verdedigen op maandag 30 september 2013
om 14.30 uur precies

door

ISBN

978-90-90-27790-5

Cover design and layout

Promotie In Zicht, Arnhem

Print

Ipskamp Drukkers, Nijmegen

Marloes de Lange

geboren op 7 juli 1985
te Nijmegen

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ACKNOWLEDGEMENTS

In September 2003, I started studying Sociology in Nijmegen, which I enjoyed more and more over the years. After graduating in September 2008, I luckily got the opportunity to start my PhD at the Sociology Department in Nijmegen. In September 2013, it is time to finish my PhD. Thanks to many people who have surrounded and supported me over the years, working on this dissertation has been a very instructive, inspiring, and pleasant experience.

First and foremost, I am grateful to Maarten Wolbers, Maurice Gesthuizen, and Wout Ultee. During my project I often realized that I was lucky to have the best supervisors I could have hoped for. Together we have had many fruitful meetings, interesting discussions, and at least as many laughs. Maarten, at the right moments you were there to help me, stop me, reassure me, or give me a deadline. Thank you for being so accessible and supportive. I am happy our collaboration still continues. Maurice, you also played an essential role within my project. Your knowledge, clarity, and enthusiasm always stimulated me and improved my work a lot. I hope we will do more joint work in the future. Wout, ever since my first lecture as a Sociology student, you have taught me the important questions to ask and study. You have the ability to actually see the wood for the trees and to make others see the wood too. I greatly benefited from your sociological education and influence during the writing of this dissertation. It makes me proud that I am your last 'Nijmeegse promovenda'.

I would like to thank the members of the reading committee, Gerbert Kraaykamp, Paul de Graaf, and Jacques van Hoof, for the time and effort they invested in assessing the manuscript of this dissertation.

I am also grateful to all people who contributed to my dissertation by providing their helpful and constructive feedback at conferences, in article reviews, and during discussions at ICS Forum Days or ISOL meetings.

Although not directly involved in my PhD project, I would like to thank Jaap Dronkers for his collaboration since many years. Jaap, you encouraged my interest for sociological research at an important time during my undergraduate studies, and you have taught me important lessons on how to actually translate numbers into practical implications.

In Spring 2011, I was fortunate to spend two months at the Otto-Friedrich-Universität Bamberg in Germany. I would like to thank Hans-Peter Blossfeld for giving me this opportunity and Sandra Buchholz for her hospitality and for supervising me during this stay. Sandra, your warmth and kindness immediately made me feel at home when I arrived in Bamberg, and I really enjoyed our conversations about work and life. Thank you also for learning me more about Germany and giving me a crash course in the piecewise-constant exponential models. My stay in Bamberg was also great because of Nora Skopek and Liliya Leopold, who immediately introduced me into their social lives. Nora and Liliya, thank you for all the fun we had during the many nice lunch breaks, dinners, and drinks we spent together.

Most of my time I spent at the Sociology Department in Nijmegen. Agnieszka, Anke, Ariana, Ben, Cees, Chris, Ellen, Elly, Eva, Gerbert, Giedo, Hidde, Jeanette, Jochem, Josja, Liesbet, Liesbeth, Manfred, Marcel, Marieke, Marieke, Margriet, Mark, Mark, Michael, Mieke, Natascha, Olav, Paul, Peer, Pieter, Rianne, Rob, Roderick, Stijn, and Tim, thank you for your valuable comments on earlier versions of my papers, but especially for the many enjoyable and distracting daily talks. I am happy to still be part of such a nice group of people. In particular, I would like to mention Charlot and Fransje, who have become more than just colleagues. Charlot, I hope many more coffees together will follow. Fransje, it was very nice to have you around the corner too. Even though we do not work at such a short distance from each other anymore, I am glad we always find a way to continue our pleasant talks. Finally, special thanks go out to Marijke. Both your secretarial assistance and social support are invaluable.

Also outside work I am happy to be surrounded by lovely people with whom I shared many precious moments when I was not busy meeting a deadline. Carolien, Esther, Mintra, and Narly, I am lucky to have your friendship for such a long time already. I hope to share my passions for good food, drinks, and endless chatting, relaxing, and laughing with you much longer. Also Anne, Kristel, Maartje, Maartje, Naïma, Safoura, and the RMSS year group, Emma, Hidde, Inge, Jeroen, Judith, Lieselotte, and Ruben, I want to thank for regularly distracting me with their good company. Special thanks to you, Lieselotte; you are also special to me.

My family has always been very important to me, but especially during my PhD. Mama and papa, thank you for your unconditional love and support and for just always being there for me. Maike and Anne, having you as my sisters feels just so natural that I sometimes forget how special it is what we share. I am happy you are standing next to me on this important day. Valeria, thank you for being like a sister. I am also grateful for the love and support of the rest of my family(-in-law), in particular Peter, Rien, opa Karel, oma Door, oma Lien, Alex, Ellen, Albert, and Roxane.

Daniël, sharing life with you makes me so happy. Thank you for your love, patience, and positivity, for the times I could wake you up after working at night and for holding up a mirror to me sometimes. I love you.

Marloes de Lange,
Nijmegen, August 2013.

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1

Introduction

1.1 INTRODUCTION

Labour markets in (post-)industrialized countries have changed considerably in the last decades. Since the mid-1980s, especially in the 1990s, employment relations became increasingly flexible. Until then, fulltime jobs, lasting indefinitely and supervised directly by the employer had been the standard (Kalleberg, 2000). From the mid-1970s, macro-economic and structural developments, such as growing aggregate unemployment and globalization, made industrialized countries and organizations in these countries search for greater flexibility in employment relations. This resulted in the development of nonstandard employment relations, such as part-time work, temporary jobs and on-call employment (Kalleberg, 2000). As a consequence, a growing part of the labour force is employed in such flexible types of labour since about the 1990s, particularly young people entering first employment. This overrepresentation among labour market entrants is due to the fact that they are considered as outsiders in the labour market, lacking work experience and seniority, which makes employers reluctant in offering them permanent contracts and hiring them on a direct basis (Bukodi, Ebraliidze, Schmelzer & Blossfeld, 2008; Mills & Blossfeld, 2005).

The importance of work for people's lives is effectively described by Kalleberg (2009, pp. 1-2): *'Work is a core activity in society. It is central to individual identity, links individuals to each other, and locates people within the stratification system. Perhaps only kin relationships are as influential in people's everyday lives. Work also reveals much about the social order, how it is changing, and the kinds of problems and issues that people (and their governments) must address.'* The life one lives is hence greatly dependent of one's position in the labour market. Obviously, the traditional distinction between employment and unemployment is relevant in this respect, but also the distinction with temporary employment seems important in light of the current trend towards labour market flexibilization. Growing concerns regarding the increase of nonstandard types of work are expressed in media and within politics nowadays, and among researchers a growing interest in studying these new employment types has emerged in the past decades (Kalleberg, 2009), although attitudes towards the precariousness of such jobs diverge.

The supply side of labour, i.e. employers and their organizations, generally conceive(d) the flexibilization of the labour market as a welcome development (de Grip, Hoevenberg & Willems, 1997), as it enables to adjust the workforce more easily to current levels of demand and supply. Employees in flexible types of labour, like temporary jobs or on-call employment, however, have to deal with the fact that such jobs offer little security due to the fixed-term employment contract and temporality of the earnings of such jobs. In addition, social-scientists often point to possible negative effects of temporary employment, i.e. that people might get 'trapped' in such unstable jobs if they once accept one, which is obviously bad for subsequent career development (Scherer, 2005; Steijn, Need & Gesthuizen, 2006). The creation of temporary jobs could however also be regarded

as an effective solution to unemployment (Gebel, 2013). Compared to unemployment, temporary employment does at least offer individuals the opportunity to obtain some work experience and income, even though it is just for a short period of time. Additionally, several researchers suggest that a temporary job could function as a step towards later permanent employment (de Graaf-Zijl, van den Berg & Heyma, 2011; Scherer, 2004).

In general, temporary employment hence provides at least some kind of employment and prospects of more enduring employment security in the (near) future. A kind of hierarchy could thus be implicitly assumed with permanent employment on top, followed by temporary employment, and finally, unemployment, based on the associated degree of employment security. Providing less security than a standard, permanent job, but being less insecure compared to unemployment, the question arises what it means exactly for the lives of young individuals, once they become temporarily employed at labour market entry. This is not only a relevant question with regard to work related outcomes, like the influence of early career insecurity on later labour market positions and job characteristics, but also regarding non-work related outcomes, like the family life.

In this book, I will study temporary employment from a comprehensive perspective to gain more insight into the way flexibilization of the labour market, which accelerated since the 1990s in industrialized countries and does not seem to have come to an end yet, affects the lives of young individuals. First, I will investigate which individuals are particularly prone to end up in temporary employment and search for explanations why the process of labour market flexibilization affects some individuals or households more than others, which covers the next three empirical chapters of this book on the causes of employment flexibility. Second, in the last two empirical chapters of this book attention will be paid to possible negative consequences of temporary employment in the early career for subsequent labour market outcomes of individuals and for family formation among individuals and their partners.

In the remainder of this chapter, I will briefly describe the process of flexibilization of the labour market in industrialized countries in Europe since about the 1970s (section 1.2), followed by a specific description of the Dutch situation, which represents the context in which temporary employment is studied in most of the empirical chapters, i.e. the Netherlands (section 1.3). In section 1.4, I will elaborate on how this book contributes to the existing literature on employment flexibilization. I will start section 1.5 by stating the central research questions that I aim to answer in this book and by clarifying the terminology with regard to employment flexibility used throughout the book. I will conclude this section by introducing the specific research questions that are studied in the five empirical chapters of this book and by briefly reflecting on the data used and the methodological approaches applied to answer these specific research questions.

1.2 FLEXIBILIZATION OF THE LABOUR MARKET IN EUROPE

1.2.1 Macro-economic developments in Europe

Until the early 1970s, unemployment in European countries was very low, i.e. about 2 per cent in the EU15 (Blanchard, 2006). The start of increasing unemployment rates dates back to 1973. Western countries were then hit by the first oil crisis, due to the oil embargo of the Arab countries, entailing huge increases in the price of oil, which put high pressure on post-war welfare states. The Iranian revolution in 1979 and the Iran-Iraq war of 1980 led to a further increase in the price of oil, entailing a second oil shock. Not surprisingly, unemployment in Western countries started to grow in the 1970s and continued to increase in the 1980s. This increase can mainly be attributed to tight monetary policies of European governments and central banks in order to reduce high inflation rates.

In the 1990s, average unemployment was still very high in European countries, although increasing heterogeneity in unemployment rates across countries became visible in this period. For instance, in France, Spain, and Italy unemployment remained high in the 1990s, and in Germany unemployment rates started rising after the reunification, being relatively low until then. Decreasing unemployment rates in the early 1990s are found in the UK, Ireland, and the Netherlands, being relatively high until this period. In Austria, Norway, and Portugal unemployment rates remained relatively low during the 1990s, and in Sweden, Denmark, and Finland, finally, first a sharp increase followed by a sharp decline in unemployment was visible in the same period (Blanchard, 2006). Regardless of the differences between European countries, it is clear that economic insecurities increased strongly between the 1970s and the 1990s, leading to a disruption of the up until that point quite stable labour markets.

1.2.2 Structural developments in Europe

From about the 1980s, some rapidly accelerating changes occurred in developed economies that have structurally altered the labour market. An important contribution within this respect concerns the emergence of developing countries, particularly China and India, as global trade partners (Standing, 2009). These countries are the world's most populous countries and have low incomes and labour costs. Their entrance in the world trading system, since the early 1980s, hence implied huge competition for developed countries and significantly contributed to a major change in the structure of employment in these countries, denoted by deindustrialization (Saeger, 1997). This entailed a (sharp) decline in the relative importance of manufacturing in total employment. Developed countries started to import unskilled-labour intensive goods from developing countries, shifting their own industries more towards the services oriented sector. In addition, manufacturing in developed countries got outsourced and offshored to low-wage countries by relocating firms to these countries, in order to reduce costs (Standing, 2009).

The end of the Cold War in 1989, leading to the reunification of the communist 'Eastern bloc' and the capitalist 'West', further increased internationalization of market economies and rising tax competition among welfare states (Castells, 1996b). From the early nineties, interaction and competition between European labour markets accelerated, leading to new challenges for corporations and nation states operating across national borders (Mills & Blossfeld, 2005). Although increasing global competition provides opportunities for corporations to capture a powerful position in the world economy, it also induces more insecurities among employers, due to the need to respond rapidly to (sudden) changes in the global market, which can be reached through a more flexible workforce.

The rise of the global economy in the late twentieth century, summarized by Castells (1996a, pp. 101-102) as *'an economy whose core components have the institutional, organizational, and technological capacity to work as a unit in real time, or in chosen time, on a planetary scale'*, was based on the new infrastructure provided by information and communication technologies. Technological innovations and inventions facilitated the possibilities for large firms to operate on a global scale and to conduct trade. Technological advancements also led to a replacement of low-skilled labour-intensive work by machineries on the one hand, resulting in a growing need for knowledge-intensive work on the other hand (Berman, Bound & Machin, 1998; Spitz-Oener, 2006). This 'upgrading' of the labour market structure involved a preference for skilled over unskilled or lower-skilled workers, also known as 'skill-biased technological change' (Katz & Autor, 1999). This stimulated educational expansion among men and women in industrialized countries (Bell, 1976; Klijzing, 2005), followed by a general increase in female labour force participation. Especially in Europe, where many labour markets are quite rigid, this process of skill upgrading induced high unemployment rates and an increasing demand for flexible employment relations (DiPrete, 2005).

The speed and extent to which the discussed macro developments occurred from about the 1980s mark the dawn of a new era, often referred to as globalization (Buchholz et al., 2009; Castells, 1996a; Mills & Blossfeld, 2005).

1.2.3 Micro-level responses to macro-level labour market insecurities

At the macro level, both macro-economic developments and structural developments led to increasing insecurities among employers in the 1990s, as outlined above. Due to these insecurities, it became less attractive for employers to make long-term commitments, leading to 'contingent asymmetric commitment' (Breen, 1997). This implies that there is an agreement between two parties, but one of both parties has the possibility to withdraw from the relationship, while the other party can only comply with whatever the first party chooses to do. Employers gratefully use this strategy in times of high uncertainty, making them seek for a more flexible labour market in order to cut costs, for instance through the creation of temporary jobs. The advantage of temporary jobs is that employers can hire employees when they want to increase production, while they can get rid of employees

when production is shrinking, without any costs or legal proceedings due to expiring employment contracts. The risks resulting from high unemployment and economic globalization in the 1990s were hence shifted from employers to (future-)employees by increasingly offering them temporary jobs instead of permanent ones. Employees obviously had no choice but accepting such insecure jobs or else being unemployed. From a micro-level perspective, the likelihood to be in temporary employment thus increased since this period, due to macro-level developments inducing insecurities among employers.

1.2.4 Macro-level outcome: Flexibilization of European labour markets

The fact that (future-)employees are increasingly likely to get a temporary job since the 1990s resulted in an increase in aggregate temporary employment in Europe. Figure 1.1 shows this development in the share of temporary employment in total dependent employment among the 25 to 64 aged workforce in Europe (i.e. EU21). In 1980, the share of temporary employment was about 5 per cent (OECD, 2012). Between 1990 and 2000, this percentage increased from almost 7 to about 9 per cent and around 2010 to about 11 per cent of all employees. The total increase in temporary employment between 1980 and 2011 is more than 6 percentage points, representing an increase from 5,343,330 to 17,221,960 temporary employees in Europe. Although not represented in Figure 1.1, large differences in the share of temporary employment can be observed between European countries. Especially in southern European countries, like Spain, Greece, and Portugal, temporary employment rates appear to be substantially higher than the European average.

In Figure 1.1, the share of temporary employment in Europe is also specified for youth (aged 15-24). It is shown that the number of young people in temporary employment in Europe increased from more than 21 per cent in 1980 to 27 per cent in 1990. Subsequently, it increased to almost 38 per cent in 2000 and to about 44 per cent in 2011. It is clear from Figure 1.1 that young people are much more likely to have a temporary job, compared to the total labour force. Between 1980 and 2011, the share of youth temporary employment in Europe increased by almost 23 percentage points, from 4,828,460 to 7,583,970 young employees. The flexibilization of the labour market in Europe hence seems to strike young people without (much) labour market experience in particular, which is not surprising. Because of their lack of work experience, seniority, lobby, and networks, young people, and more specifically labour market entrants, are considered as outsiders in the labour market. Compared to the insiders in the labour market, the established work force, they are hence put at a disadvantage and have difficulties in obtaining a secure and stable job (Bukodi et al., 2008; De Vreyer, Layte, Wolbers & Hussain, 2000). Employers prefer to hire them through temporary contracts in order to screen labour market entrants' work potential first, before possibly offering a permanent contract.

The numbers of youth temporary employment in Europe represented in Figure 1.1,

however, are not restricted to labour market entrants only, but also include young people who have not finished education yet. This implies that students with side jobs, which often regard temporary jobs (see Wolbers, 2008b), are also represented in this figure. Still, these numbers are likely to provide a good picture of the developments in youth temporary employment in Europe over time, although the trend for labour market entrants may be somewhat lower in each year.

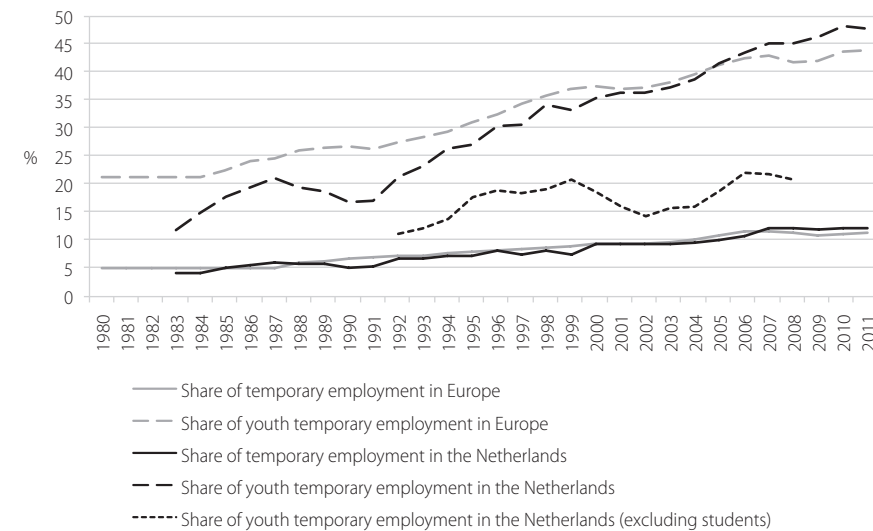


Figure 1.1 Share of (youth) temporary employment (in the total of dependent employment) in the Netherlands and Europe, 1980-2011.

Source: OECD Employment Database and Dutch Labour Force Survey (1992-2007).

1.3 EMPLOYMENT FLEXIBILITY IN THE NETHERLANDS

1.3.1 Temporary employment among (young) Dutch employees

The process of labour market flexibilization, which is particularly prevalent among young people, is a universal trend in European countries since the 1990s, as is apparent from the previous section. In this book, I mainly focus on the occurrence of temporary employment and its consequences for labour market entrants in a specific country: the Netherlands. The Netherlands provides an interesting case for the analysis of labour market flexibilization among young people: Whereas the trend in temporary employment among the Dutch workforce aged 25 to 64 more or less follows the European trend between 1980

and 2011, the share of temporary employment among the 15 to 24 years old Dutch workforce shows a rather steep increase since the 1990s. This results in a relatively high youth temporary employment rate after the mid-2000s, compared to the Europe average, as Figure 1.1 shows. Around 1990, almost 17 per cent of the Dutch youth (193,940 individuals) had a temporary job, increasing to more than 35 per cent in the early 2000s. After 2005, the percentage of temporarily employed Dutch youth exceeded the European average and increased to as much as 48 per cent around 2010, representing 569,740 youth. As described earlier, these numbers include school going youth, who often have temporary side jobs in the Netherlands. Comparing these numbers to numbers of the Dutch Labour Force Survey (EBB 1992-2007; see for more information on these data section 2.3.1) for youth aged 15 to 24 belonging to the labour force, excluding those who indicated to be in education to lower the chance to include temporary student side jobs, indeed shows lower numbers of youth temporary employment (see again Figure 1.1). In 1992, 11 per cent was temporarily employed increasing to around 20 per cent in the late 1990s. In the early 2000s, the share of youth temporary employment decreased to 15 per cent, but increased again to 22 per cent in 2007. Youth temporary employment in the Netherlands hence increased quite steeply during the last decades, compared to the European average, as appears from Figure 1.1. The specific trend for school-leavers seems to have developed somewhat less steeply than among youth in general. In the next sections, I will provide an overview of the macro-economic and structural developments in the Netherlands in the last decades, as well as an introduction to the Dutch institutional setting.

1.3.2 Macro-economic developments: From 'Dutch Disease' to 'Dutch Miracle'?

As outlined in the previous section, aggregate unemployment rates were rising in the 1980s, and the Netherlands is no exception to this trend. The period of the early 1970s to the late 1990s can be characterized as a transition from 'Dutch Disease' to 'Dutch Miracle' (Visser & Hemerijck, 1997). 'Dutch Disease', a term which was first used in *The Economist* in 1977 (released on November 26th, pp. 82-83), refers to the adverse effects of natural gas discoveries in the 1970s on Dutch manufacturing, mainly because of the strong increase in gas export, leading to an extremely high Dutch exchange rate, which deteriorated the competitive position of the Netherlands (Corden, 1984). This induced high levels of unemployment in the 1970s and low employment growth (Delsen, 2000). Many employees consequently 'left' the labour market through disability insurances (*WAO*) or early retirements (*VUT*). Nowadays, Dutch Disease is a general term in economics referring to examples of countries with similar issues as the Netherlands in the early 1970s. In the Netherlands, 'Dutch Disease' was particularly prevalent among youth: In 1984 youth unemployment even reached a peak of 25 per cent (Salverda, 1992), compared to the general unemployment level of 10 per cent in the same year (Karsten, van Veen & van

Wulfften Palthe, 2008). The start of recovery from this economic disorder was in 1982 through the Wassenaar Agreement: an arrangement between employers' organizations and trade unions combining wage restraint with a redistribution of labour to combat (youth) unemployment and enhance competitive power (Langenberg & van der Zwan, 2007). The subsequent employment growth from the mid-1980s and onwards, particularly during the mid-1990s, became known as the 'Dutch Miracle'. An important part of this growth concerned the introduction of flexible employment relations, like temporary jobs and jobs provided through employment agencies (Delsen & de Jong, 1997). Such jobs are usually considered as marginal and insecure jobs. The 'Dutch Miracle', in fact, seemed to represent quite an unstable miracle.

1.3.3 Structural developments in the Netherlands

The Netherlands has a history of being a small, open economy with a long tradition in trade, foreign investments, and a high concentration of multinational companies. Far back in the 17th century, the Netherlands dominated the world economy due to its revolutionary financial system and large technological progress (especially in the maritime industry), which was way ahead of other countries. During this period of flourishing trade, the Netherlands was a hegemony until the British took over this position in the 19th century (Wallerstein, 1980). The Netherlands has thus been one of the leading countries in today's world economy, being integrated in the global economy for a long time (de Vries & van der Woude, 1997).

Although in recent decades, the Netherlands may not have been such a world power anymore as in the 17th century, its position within Europe was always strong in the 20th century, due to several structural developments. In Figure 1.2, several of these developments are represented for the Netherlands and for Europe (i.e. the European Union), since the 1980s. From this figure, it can be derived that GDP per capita (PPP) has risen strongly in the Netherlands, i.e. from 10,000 to more than 40,000 international dollars between 1980 and 2011, especially compared to the European average that was already somewhat lower in the 1980s, but also rose less strongly. Figure 1.2 furthermore shows that the Dutch GDP per capita is strongly determined by the high degree of exports of goods and services from the Netherlands (i.e. the value of all goods and other market services provided to the rest of the world). Between 1980 and 2011, the share of export in GDP increased from 52 per cent to 83 per cent. Also in the rest of Europe, the share of exports in GDP increased substantially, though being in general much lower (i.e. 26 per cent in 1980 and 43 per cent in 2011). Finally, Figure 1.2 represents the value added in services as a percentage of GDP. This percentage increased from 63 per cent in 1980 to 74 per cent in 2011, in the Netherlands. The Dutch trend appears to largely follow the European trend, in this respect. Jobs in the service sector hence occupy an (increasing) central position in the Dutch economy, but not a more important one than in other European countries. In absolute terms, however, the service sector has expanded more

strongly in the Netherlands than in Europe, considering the stronger rise in GDP in the Netherlands, compared to Europe.

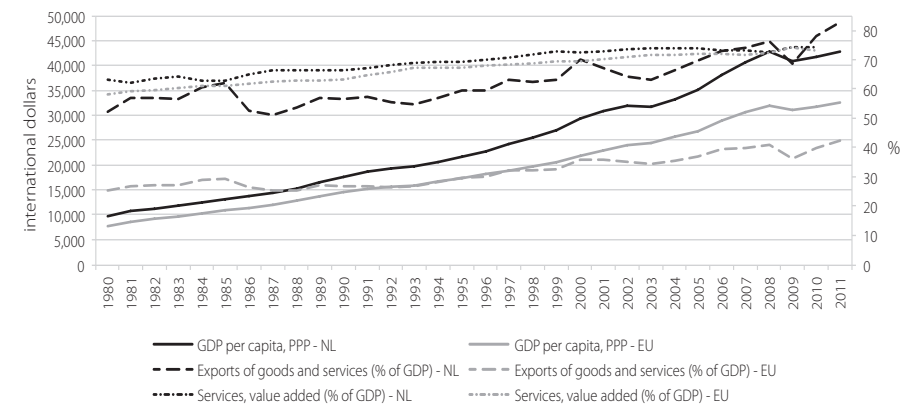


Figure 1.2 Structural developments in the Netherlands and Europe, 1980-2011.

Source: World Bank national accounts data and International Comparison Program database.

The structural developments since the 1980s imply that the Dutch society has developed into a highly globalized society. Exponents of this high level of globalization in the Netherlands are the implemented policy measures over time and the historically grown institutional system, which determine the degree to which individuals, particularly labour market entrants, experience labour market uncertainty in this country (Mills & Blossfeld, 2005). The level of (economic) globalization can hence function as a summary indicator for the structural developments that have taken place in the last decades. In Figure 2.1 in Chapter 2 (section 2.2.1), the development of this indicator is represented for the Netherlands and Europe since 1980. Early in the 1980s, the level of (economic) globalization was high in the Netherlands and far above the average European level. In the next decades, the Dutch globalization level kept rising until it seemed to stabilize around the early 2000s. The fact that the Netherlands is among the highest globalized countries in Europe, even around the world, makes it a particularly interesting case within Europe for studying the causes and consequences of labour market flexibilization.

1.3.4 The Dutch institutional context

The Dutch labour market has become increasingly flexible since the 1990s, but it is unlikely that all social groups in the Netherlands are equally likely to be in temporary employment. The degree to which social groups are affected by rising uncertainties depends on the Dutch institutional setting and social structure (DiPrete, de Graaf, Luijkx, Tählin & Blossfeld,

1997; Mills & Blossfeld, 2005). The results of the empirical studies in this book should therefore be interpreted within this context. As part of the institutional context, I discuss Dutch legislation on flexible employment relations, specific social welfare provisions for youth in the Netherlands, and more general, the Dutch educational system and labour market (de)regulations in the Netherlands.

Dutch legislation with respect to flexible employment relations

Economic and social policy making in the Netherlands is highly consensus based, implying that the government, employers, and labour unions jointly negotiate on the regulation of working conditions and wages. Right after World War II, in May 1945, the Labour Foundation was established, which is a national consultative body representing the three largest trade union federations and the three largest employers' associations in the Netherlands (<http://www.stvda.nl>). This foundation provides a forum in which relevant issues in the field of labour and industrial relations are discussed by its members. In 1950, the Social and Economic Council of the Netherlands was founded to advise the Dutch government and the parliament on social and economic issues (<http://www.ser.nl>). Since their origin, both advisory bodies have frequently advised the Dutch government on social and economic policy proposals, also with regard to flexible employment relations, especially since the 1990s.

In the late 1990s, legal rules and collective agreements between unions and employers' organizations were introduced to reconcile and balance both flexibility and security in the Dutch labour market, also referred to as 'flexicurity' (van Oorschot, 2004; Wilthagen, 1998). Flexicurity consists of increasing labour market deregulation accompanied by more employment security, especially for the weakest groups in the labour market. In 1999, the Flexibility and Security Act (*Flexwet*) was implemented to extend the opportunities for employers to recruit flexible workers on the one hand and to improve the legal position of temporary employees and to offer them more securities on the other hand. According to this act, an employer can offer an employee three consecutive temporary contracts (provided that the maximum interval between the contracts is three months), after which the contract needs to be actively terminated or else it is tacitly transformed into a permanent contract. This is also the case if the total duration of these consecutive contracts is 36 months or more. Whereas the intention of this act may be to avoid that temporary workers end up in repeated cycles of temporary employment, it does not seem to be strict enough in practice to realize this. As indicated, employers can still terminate a contract after 36 months of temporary employment and even re-hire the same person in temporary employment, after at least three months. Alternatively, this person can still be offered a new temporary job in another company. Repeated cycles of temporary contracts are hence not inconceivable in the Netherlands, and entering the labour market in temporary employment can be regarded as a serious indication for repeated temporary employment during the early career.

According to the law on equal treatment of temporary and permanent workers, which is effective since November 2002 (based on directives of the European Commission in June 1999), the conditions of employment (for instance, wages, holidays, pension rights, year-end bonus, et cetera) should be equal among temporary and permanent workers (de Jong, Schalk & Goessling, 2007). However, as De Jong et al. (2007) discuss, this law explicitly includes the possibility that differential treatment may be justified by objective reasons, which are undefined. In practice, compliance with this law is hence disputable, which makes it likely that temporary entrants suffer from underpayment compared to standard entrants, for instance.

Social welfare provisions for Dutch youth

According to different welfare regime typologies, the Netherlands is usually classified as a 'hybrid' welfare state, instead of a prototype of one specific ideal type (Arts & Gelissen, 2002; Esping-Andersen, 1999; van Oorschot, 2006). This implies that it has characteristics of both social-democratic welfare states, putting emphasis on active labour market and taxation policies to stimulate labour market participation, and conservative welfare regimes, designing policies to ensure that citizens who are outside the labour market are protected against poverty (Mills & Blossfeld, 2005).

In the Netherlands, three important types of insurances exist for workers in general, i.e. the unemployment insurance scheme (*WW*), the disability insurance scheme (*WAO/AAW*), and the (former public) sickness insurance scheme (for short-term disability benefits) (*ZW*), which is privatized nowadays (van Oorschot, 2006). Although, from an international perspective, social security benefits in the Netherlands are rather generous, some serious budget cuts resulted in less generous schemes and a stricter threshold to qualify since the 1990s. Especially youth are the victims of these measures to reduce government expenses. The unemployment insurances for 25 year olds (employed for 5 years) reduced from 2.5 years to 2 years in 1987, but increased to 2.75 years in 1995. In 2003, however, the unemployment insurance for this group was reduced to only 9 months and in 2006 even to 5 months (Soede, Vrooman & Wildeboer Schut, 2009). To compare: In 2006, 40 year olds received 22 months and 58 year olds 38 months of unemployment benefits. With regard to the level of unemployment benefits youth are also worse off than older workers. Between 1979 and 1984 the replacement ratio (the percentage of average gross wage) for 25 years old was 75 to 80 per cent in the first two years, which was equal to older workers, but since 2006 the level of unemployment benefits decreased to 75 per cent for only the first two months and 70 per cent during the remaining three months (Soede et al., 2009). Youth unemployment benefits have thus largely decreased in the last decades, both in level and in duration.

Specific measures for youth have also been developed in response to the high youth unemployment in the mid-1980s. In 1991, the Youth Work Guarantee scheme (*JWG*) was implemented for young unemployed youth. Through this scheme, the Dutch government

aimed to provide young jobseekers up to 22 years old a minimum wage job by subsidizing both public sector and private sector employers, and she provided training activities to improve their labour market prospects. In 1998, the Youth Work Guarantee scheme was integrated in the Integration of Job Seekers Act (*WIV*), together with the *Banenpool*, which comprised paid additional jobs created for the very long-term unemployed. Since 1998, also the disability insurance scheme for youth (*Wajong*) is effective, replacing the former (general) *AAW*. This law is designed to support youth being incapable to work due to a handicap (<http://www.rijksoverheid.nl>).

The Dutch educational system

The Dutch educational system can be characterized as highly stratified and standardized, according to Allmendinger's classification of educational systems (1989). Stratification in educational opportunities results from streaming children at quite a young age into specific educational tracks. In the Netherlands, this occurs both with regard to the level of education (vertical stratification) and field of education (disguised vertical stratification) (van de Werfhorst, 2001). The fact that the quality of Dutch education meets the same standards nationwide makes this educational system also rather standardized. In such systems, the link between education and job requirements is strong and employers are usually well-informed on the skills and capacities of graduates. Countries vary, however, in the way their educational system organizes vocational training (Mills & Blossfeld, 2005). In the Netherlands, this is mainly organized through theoretical training in vocational schools, instead of more practical on-the-job training (as in Great Britain) or training in a dual system, combining theoretical learning at school with work experience (like in Germany). The degree of standardization of the Dutch educational system is hence higher than in many other European countries with on-the-job training, but somewhat lower than the highly standardized dual system in Germany. Because of the fact that employers are quite well-informed by the certificates of young graduates in the Dutch educational system, there is less need for screening or training of labour market entrants. The high degree of stratification within this system strengthens the already strong link between school and work, but also reduces mobility opportunities between labour market segments. The transition from education to work is hence expected to run rather smoothly in the Netherlands. As a result, a less optimal entry – as through temporary employment – could be more stigmatizing and the negative consequences of such a start could be more severe.

Labour market (de)regulations

The position of temporary workers is also affected by general labour market regulations. Market economies can be indicated as coordinated versus uncoordinated or liberal (Soskice, 1999). The Dutch labour market is characterized by relatively strong employment protection legislation (EPL) resulting in closed employment relationships and relatively powerful interference of labour unions in the negotiation on collective labour agreements,

which typically classifies the Netherlands as a coordinated economy. The Netherlands has a dual dismissal system, implying that employment contracts can either be terminated after the permission of the public employment service or through intervention of courts (OECD, 2004). Valid reasons for dismissal only exist on grounds of employee conduct or unsuitability and for economic redundancy. EPL for permanent jobs in the Netherlands is hence relatively strict (approaching the OECD average with regard to the 'difficulty of dismissal' index), while regulation of temporary work is quite liberal. The distinction between insiders and outsiders in the Dutch labour market is rather clear, consequently. Temporary workers, as outsiders in the labour market, may hence struggle to become an insider, and it may take a while before a permanent employment position is obtained after starting in temporary employment.

With regard to labour union density, it can be noted that this is fairly low in the Netherlands (19 per cent), but the coverage of collective labour agreements is relatively high from an international perspective (79 per cent) (Cörvers, Euwals & de Grip, 2011). Among unions there is growing recognition of the importance of equal rights for temporary workers, but this also causes tension, as it goes against the interests of the majority of permanent workers (de Jong et al., 2007). An additional problem is that Dutch temporary workers are mostly not unionized, due to the insecure and short-term character of temporary jobs (Goslinga & Sverke, 2003). As de Jong et al. (2007, p. 502) state, '*this situation obviously limits implicit bargaining power and access to the rights of temporary workers and the power of unions in the Netherlands to negotiate equal employment and working conditions.*' Due to the relatively poor representation of the interests of temporary workers, Dutch entrants in temporary employment quite likely have to accept jobs with lower wages, for instance.

1.4 GAPS TO BE FILLED, IMPROVEMENTS TO BE MADE

Although much is known about employment flexibility in general, and specifically for the Netherlands, some new questions need to be answered and answers to existing questions can be improved. In at least six ways, I believe this study contributes to the existing knowledge on employment flexibility.

First, it is argued that the flexibilization of the labour market had the biggest impact on the group of young people, in particular labour market entrants, due to their lack of labour market experience. In Figure 1.1 I have shown that, indeed, the share in temporary employment in Europe, and more specific in the Netherlands, is larger among youth than among the older workforce. Additionally, the trends in youth temporary employment are steeper than the trends for older employees, in the Netherlands in particular. In this book, I hence focus on Dutch youth, more specifically on labour market entrants, and aim to provide a complete picture of the role of temporary employment in their lives. On the one hand, I therefore study the *causes* of employment flexibility among this group, to identify

to what extent youth are affected by the flexibilization of the labour market. On the other hand, I investigate the *consequences* once having a temporary job for different life domains of young people, i.e. work and family related outcomes. Together, this should provide insight into the size and seriousness of temporary employment as a potential problem among youth, both work- and non-work related, as is often suggested by media and politics, but also within the social sciences. Although some previous research has already focused on employment flexibility among youth, this is usually limited either to the causes or to the consequences for one specific life domain, which makes it difficult to judge on the overall impact of labour market flexibilization on youth. Especially for the Netherlands this seems important information, as in this country youth employment flexibility has grown strongly in the last decades and may further increase in the near future.

Second, flexible employment relations, in general, have negative connotations when being discussed in media, politics, but also in scientific research. Temporary employment is then regarded as inferior and undesirable from the employees' perspective, in comparison with standard employment relations. As addressed earlier, temporary jobs are not just an alternative to permanent employment, but to a situation of unemployment as well. Inherent to the type of employment contract, temporary employment is *less secure* than a job with a permanent contract, but *more secure* than being unemployed. Throughout this book, temporary employment is hence studied as an outcome that is relative to both permanent employment and unemployment. In this way, it is possible to determine to what extent the flexibilization of the labour market comes at the expense of the number of permanent jobs among labour market entrants and to what degree it is effective in combating unemployment. Within this respect, it is also relevant to differentiate between social groups. Both Breen (1997) and Kalleberg (2009) argue that especially socially deprived groups of young workers are the victims of labour market flexibilization and that already existing social inequalities are intensified as the stock of flexible employment relations increases. Labour market flexibilization would disproportionately affect those who already have a weak position in the labour market, i.e. labour market entrants without or with low (vocational) qualifications. As the labour market becomes more flexible and flexible employment relations hence more widespread, it is unlikely that only lower educated are affected by this process. It may be more likely that also higher educated become more often employed in temporary jobs over the years, but that it also serves more often as an alternative to unemployment for this specific group, while for lower educated it may be an alternative to permanent employment in particular. To conclude, I believe that investigating trends in the relative position of temporary employment with respect to permanent employment and unemployment, differentiated by educational groups, provides a more nuanced picture of temporary employment in the Netherlands over the last decades.

Third, in explaining micro-level employment flexibility, various macro-level explanations are tested against each other in this book, which can be roughly divided into macro-

economic conditions, structural developments, and institutional characteristics. These types of explanations all have different implications for the way in which the flexibilization of the labour market further develops and to what extent it can be successfully fought, due to differences in the mechanisms behind macro-level characteristics or developments as explanations for micro-level outcomes. Macro-economic conditions refer to a cyclical trend, structural developments to a monotonous, non-reversible trend, while institutional explanations provide directions for the prevention of growth in employment flexibility that may be followed by governments. Insight in the validity of these types of explanations provides important knowledge about developments in the past and helps to understand current society, but also enables to make predictions about our society for the future.

Fourth, this study should provide a stricter test of conventional and opposing theories in the literature on the consequences of temporary employment, i.e. the 'bridge' or 'stepping-stone' versus 'trap' theories (see, among others, Gash, 2008; de Graaf-Zijl et al., 2011; Scherer, 2004; Steijn et al., 2006). Trap theories predict that marginal employment at labour market entry, like temporary employment, has a lasting negative impact on further career developments, so-called scar effects. According to bridge or stepping-stone theories, negative effects of a flexible start are temporary and fade over time or do not even exist initially. The latter theories hence predict that temporary workers at labour market entry will find more regular employment later on. Although the predictions from both types of theories diverge, they could still be simultaneously supported, i.e. for different social groups. As described above, the flexibilization of the labour market is likely to have intensified already existing social inequalities, as lower educated would be disproportionately affected. For them, it is hypothesized that a temporary contract at labour market entry more often indicates a repeated cycle of temporary employment, whereas higher educated move faster to regular jobs. Bridging theories could thus be more applicable to higher educated, while entrapment theories seem to be mainly true for lower educated. Acknowledging these educationally heterogeneous effects in testing bridge versus trap theories, which is often suggested in the literature but hardly tested empirically, provides a stricter test of these theories and more insight into the specific mechanisms at work. By posing and testing these more specific questions, I hence believe to improve upon previous research.

Fifth, in this book, the important role of the partner in studying causes and consequences of employment flexibility is acknowledged. It is suggested by previous labour market research that there is a positive association between partners' employment situation (see, among others, Bernasco, de Graaf & Ultee, 1998; Hout, 1982; Penn, Davies & Elias, 1994; Ultee, Dessens & Jansen, 1988; Verbakel, Luijkx & de Graaf, 2008). These findings lead to new questions with regard to temporary employment, i.e. on the association between partners' employment flexibility. A positive association would imply that insecurities associated with temporary employment accumulate within households. This is not only likely to have negative social consequences for the couples involved, but also for society as a whole, as it would result in more social inequality between households. An area in

which such inequalities could be particularly reflected is the field of demography. Decisions regarding family formation are usually made by both partners and also based on characteristics of both partners. Whereas an insecure job of one of two partners might already be a reason to postpone long-term family commitments as marriage and having children, double temporary employment within a household could only strengthen this. Sixth, methodological progress can be made by studying the causes and consequences of temporary employment using various large-scale data sources and by applying advanced statistical regression techniques. Repeated cross-sectional survey data (including cross-national survey data), retrospective survey data, and panel data all have their own (dis)advantage(s) and are all used in this study. Depending on the kinds of questions asked in a specific chapter, a choice for a certain type of data has been made. Based on Dutch and European longitudinal data, temporary employment is studied over a relatively long time span in which flexibilization actually seemed to accelerate. These data also allow to test macro-level explanations for micro-level outcomes, both over time within the Netherlands and across countries in Europe. This enables to take the institutional context into account as well. Finally, analysing retrospective survey data and panel data allows for making causal inferences between the assumed explanatory factors and the outcome variables at the individual level. By combining results from different data sources in this study, different types of questions can be answered, which together lead to answering the overarching research questions. In addition, it benefits the reliability and validity of the results and the conclusions drawn from these results.

1.5 OUTLINE OF THE BOOK

1.5.1 Central research questions

The remainder of this book on temporary employment among young people in the Netherlands is roughly divided into two parts. First, I investigate how flexibilization of the Dutch labour market evolved since the 1990s and aim to identify which individuals are particularly prone to end up in temporary employment. For employers, the opportunities to recruit flexible workers were extended since this period, especially by law through the Flexibility and Security Act in 1999. The question is to what extent these macro-level developments translated into changes in micro-level situations, i.e. an increased likelihood to become temporarily employed. In addition, I search for explanations for differences in the way individuals or households are affected by the process of labour market flexibilization, by studying the macro-economic and institutional context, as well as structural developments in the Netherlands and Europe. In brief, I hence study the causes of employment flexibility here, which I will also stratify by level of education. The corresponding research questions, which are specified into sub questions in section 1.5.3, are summarized as follows:

RQ1a: To what extent does flexibilization of the labour market cause employment flexibility among labour market entrants in the Netherlands since the 1990s? To what extent does employment flexibility accumulate within young Dutch households?

RQ1b: To what degree do macro-economic circumstances, structural developments, and institutional characteristics cause educational differences in youth labour market integration?

Subsequently, I study the possible negative consequences of temporary employment in the early career; first, for later career outcomes of individuals, and second, for demographic developments, such as family formation among individuals and their partners. These outcomes will also be stratified by level of education. The corresponding research questions read as follows:

RQ2a: What are the consequences of employment flexibility among Dutch labour market entrants for subsequent career developments of individuals and for decisions regarding family formation of individuals and their partners?

RQ2b: To what degree do educational differences exist in these consequences of early career employment flexibility?

1.5.2 General definition of employment flexibility

Before discussing the specific research questions in each empirical chapter, I will clarify the terminology with regard to employment flexibility used throughout this book. Flexibilization of the labour market can be understood as the macro-level process leading to an increase in flexible types of employment relations, which can be defined as employment flexibility at the micro-level. In the Netherlands, employment flexibility refers to having an employment contract of less than one year without prospect of a permanent contract and/or having an employment contract for an indefinite number of working hours. This one year limit for contract duration is the usual definition of Statistics Netherlands. In the Netherlands, one year contracts are frequently used as an extended probationary period, after which a permanent contract is usually offered. For this reason, it is quite understandable that these contracts are not considered as flexible employment relations but as permanent employment instead. This definition furthermore implies that temporary contracts among higher educated (such as PhD students at universities or graduates in a traineeship) are also treated as permanent employment.

In the Netherlands, part-time employment is not regarded as a flexible employment relation, unlike in many other countries. In the Dutch case, many part-time jobs are permanent positions, voluntarily chosen, which protect against unfair dismissal in the same way as fulltime jobs (Remery, van Doorne-Huiskes & Schippers, 2002). In fact, the

huge increase in part-time employment in the Netherlands is closely related to the late and rapid arrival of married women into the Dutch labour force and the lack of sufficient childcare provisions (Visser, 2002), rather than being a means of reducing (youth) unemployment.

In the following chapters, I define employment flexibility among individuals as having a temporary employment contract without prospect on a permanent job. Employment contracted through an employment agency is also included in this definition usually. Dependent on the data sources used in a specific chapter, the definition may however deviate a little from the standard definition. In addition, employment flexibility is generally compared with two alternative labour market situations; first, it is compared with permanent employment, referring to jobs with an employment contract of at least one year and for a fixed number of working hours, which are considered to provide long-term employment security and to be the most desirable situation. Second, employment flexibility is compared with a situation of unemployment, providing no short-term employment security (which flexible types of employment actually do) nor long-term employment security, which can be regarded as the least desirable situation.

1.5.3 Specific research questions on the causes of employment flexibility

In the next three empirical chapters of this book, I will focus on the causes of employment flexibility among labour market entrants. Each chapter will be briefly outlined below. In addition to discussing the research questions and aims of each chapter, I will elaborate briefly on the data and methodological approach used to answer the research questions.

Chapter 2: Trends in employment flexibility among labour market entrants in the Netherlands

In this chapter, the trend in labour market flexibilization among labour market entrants in the Netherlands since about the 1990s is described. Through this chapter I aim to give more insight into the extent to which macro-level changes in the labour market, i.e. into the direction of flexibilization, have translated into micro-level reactions, i.e. employment flexibility at labour market entry among Dutch youth. Beyond a description of the flexibilization process, this chapter also aims to provide explanations for the occurrence of this trend. Studying changes in employment flexibility over time within one country, i.e. the Netherlands, allows analysing the influence of structural developments (i.e. economic globalization) and macro-economic conditions (i.e. aggregate unemployment) that are regarded in the literature as the main contributors to the flexibilization of the labour market. An important contribution of this chapter, finally, is that it is studied which youth in particular are affected by labour market flexibilization, with regard to educational qualifications of labour market entrants. If it turns out that the least qualified youth in particular are in flexible types of employment relations, social inequalities in the labour market due to educational heterogeneity may be expected to grow as the labour market continues to become more flexible.

In sum, the following research questions are aimed to be answered in Chapter 2:

To what extent does flexibilization of the labour market actually lead to more employment flexibility among Dutch labour market entrants since the 1990s? To what degree do educational differences exist in this trend? To what extent can structural developments, controlled for macro-economic conditions, explain these developments?

To answer these descriptive and explanatory questions, I analyse repeated cross-sections of the Dutch Labour Force Survey, as collected by Statistics Netherlands in the period 1992-2007, including 16,447 labour market entrants. I estimate multinomial logistic regression models to analyse these data, contrasting temporary employment with both permanent employment and unemployment.

Chapter 3: The impact of macro-economic, structural, and institutional characteristics on youth labour market integration across Europe

In Chapter 2, I compare, as explained, employment flexibility over time within one country, the Netherlands, making it possible to study the influence of macro-economic and structural developments. The way through which these macro-level developments affect micro-level outcomes with regard to employment flexibility, however, is filtered through the specific Dutch institutional context, like discussed in section 1.3.3. In Chapter 3, I therefore add the institutional context as an additional explanation to the macro-economic and structural explanations of employment flexibility studied in Chapter 2, by making a cross-national comparison of employment flexibility (and unemployment) in Europe. More specifically, I focus on institutional characteristics with regard to the educational system, i.e. vocational specificity, and with regard to the labour market, i.e. employment protection legislation. Like in the previous chapter, I also study whether the impact of macro-level characteristics on employment flexibility (and unemployment) differs across individuals with diverging educational backgrounds. The research questions of Chapter 3 are, accordingly:

To what extent do macro-economic, structural, and institutional characteristics explain differences in youth labour market integration across European countries since the 1990s? To what degree do educational differences exist in the impact of these macro characteristics?

To answer these research questions, I study the labour market integration of young people, who left school between 1992 and 2008 in 29 countries, by using European Social Survey data from 2002, 2004, 2006, and 2008, including information on 18,956 youth. Multilevel multinomial logistic regression models are estimated to analyse these data, contrasting temporary employment and unemployment with permanent employment.

Chapter 4: Employment flexibility among young couples in the Netherlands

In the previous two chapters, I study to what extent individuals have become more likely to be in a flexible employment relationship since the 1990s. In Chapter 4, I will turn to a couple perspective, by investigating to what extent employment flexibility accumulates within households. This question follows from findings from previous studies on coupled careers indicating that partners' employment situations are positively related to each other (see, among others, Bernasco et al. 1998). These studies are limited to the association between employment of both partners and unemployment of both partners. In light of the trend towards labour market flexibilization, it seems obvious to adjust this traditional division between employment and unemployment by distinguishing between permanent and temporary employment instead of employment.

Studying the association between partners' employment flexibility reveals to what extent social inequalities between households in the Netherlands are growing in parallel with the flexibilization of the labour market since the 1990s. In case of a positive relationship, some households will experience much labour market security (e.g. couples with double permanent employment), others experience much labour market insecurity (e.g. couples with double unemployment), and again others experience short-term labour market security and long-term insecurity (e.g. couples with double temporary employment or with temporary employment and unemployment). Especially with regard to family related consequences of employment flexibility (see Chapter 6), it is important to know the extent to which this accumulates within households, as this could involve much financial insecurity, which might hinder couples in starting a family, for instance. Finally, in Chapter 4, I study how the (positive) relationship between partners' employment flexibility can be explained by focusing on mechanisms of assortative mating, shared labour market restrictions, and partner effects. The research questions that I aim to answer in this chapter are the following:

How is employment flexibility of young people related to employment flexibility or unemployment of their partner in the Netherlands since the 1990s? How can this relationship be explained?

In Chapter 4, I again use repeated cross-sections of the Dutch Labour Force Survey, as collected by Statistics Netherlands in the period 1992-2007, containing information on 87,204 young couples. Multinomial logistic regression analysis is applied to estimate the association between partners' employment situation and to estimate the effects of the various explanations for this association. This is done for both temporary employment and unemployment compared to permanent employment, for both men and women separately.

1.5.4 Specific research questions on the consequences of employment flexibility

In the last two empirical chapters of this book, I focus on the consequences of employment flexibility among labour market entrants. Again, I will briefly outline these chapters below by discussing the research questions and aims of each chapter, as well as the data and methodological approach used to answer the research questions.

Chapter 5: Consequences of employment flexibility at labour market entry for early career developments in the Netherlands

In Chapter 5, I study if and how employment flexibility in the first job influences early career developments. These early career developments are defined as changes in the employment situation, occupational status development, and income growth. The latter two outcomes are indicators of employment quality (in terms of social standing and remuneration) and thus important to include, in addition to a measure of the actual employment situation of young workers. In general, it is assumed in the literature that employment flexibility at labour market entry has a negative and long-lasting effect on further career development. This hypothesis is also referred to as the entrapment scenario and is grounded on different theories, i.e. labour market segmentation theory, signalling theory, and human capital theory. Opposite to this scenario expecting a long-lasting negative effect of a flexible entry, the bridge or stepping-stone perspective offers a more bright view on the early career consequences of a flexible labour market entry, i.e. that the negative effects diminish after a few years in the labour market. Which scenario proves to be right in the Dutch context is aimed to be found out in this chapter. Additionally, it is studied whether educational differences exist in the effects of a flexible entry in the labour market on early career developments of Dutch labour market entrants. These educational differences form a rather unexplored area within the literature on the consequences of employment flexibility at labour market entry, although they are often suggested. Accordingly, the research questions formulated in Chapter 5 are:

To what extent does a flexible entry in the labour market negatively affect early career developments (in terms of subsequent labour market position[s], occupational status attainment, and income growth) of Dutch labour market entrants since the 1990s? To what degree is this predicted negative effect (long) lasting? To what extent do educational differences exist in this relationship?

To answer these research questions, the (OSA) Labour Supply Panel (waves 1988-2008) is used, selecting Dutch labour market entrants in the period 1986-2008. With regard to changes in the employment situation, multilevel multinomial logistic regression models are estimated, contrasting temporary employment and unemployment with permanent employment for 473 individuals. With respect to occupational status development and

income growth, growth curve modelling is applied (multilevel linear regression models), determining the effect of temporary employment at labour market entry during the first eight years in the labour market for 973 and 899 individuals, respectively.

Chapter 6: The impact of macro-economic adversity and employment flexibility on family formation in the Netherlands

Also outside the working life employment flexibility in the early career is assumed to have an impact. Especially with regard to the family life, the impact seems to be important. Being in (financially) unstable employment, such as a temporary job, might prevent individuals from long-term commitments, especially concerning marriage and parenthood (Mills & Blossfeld, 2005). In Chapter 6, these family related consequences of employment flexibility in the early career are studied. Not only micro-level insecurity is taken into account, like in the previous chapter, but it is also studied to what extent macro-economic insecurities, like high unemployment levels, are interpreted by micro-level insecurities, like temporary employment. Additionally, it is studied to what extent both types of insecurities strengthen each other in their negative impact on the likelihood that couples decide to start cohabiting, get married, or have children. Finally, macro- and micro-level insecurities may differently affect men and women with different educational backgrounds in taking decisions regarding long-term family commitments. This leads to the following research questions in Chapter 6:

To what extent do macro-economic insecurities decrease the likelihood of family formation among young individuals and their partner? To what extent can this negative relationship be explained by employment insecurity? To what degree is the negative effect of employment insecurity on the likelihood of family formation strengthened by macro-economic insecurities? To what extent do the negative effects of macro-economic insecurities and employment insecurity on the likelihood of family formation vary between men and women with different educational qualifications?

To answer these questions, I use the Family Survey Dutch Population 2000, analysing the monthly hazard rates of experiencing the transition into first union, first marriage, and parenthood after the start of the relationship of 365 male and 364 female partners by applying piecewise-constant exponential models.

In the final chapter of this book, I will summarize the findings of the preceding chapters and answer the central research questions posed in section 1.5.1. In addition, I will pay attention to the scientific and societal implications of the findings in my research. I will conclude by discussing some limitations of my research and providing some directions for future research on employment flexibility.

1.5.5 Schematic overview

In Figure 1.3, the interdependence between the different empirical chapters in this book on the causes and consequences of employment flexibility is summarized in a schematic overview.

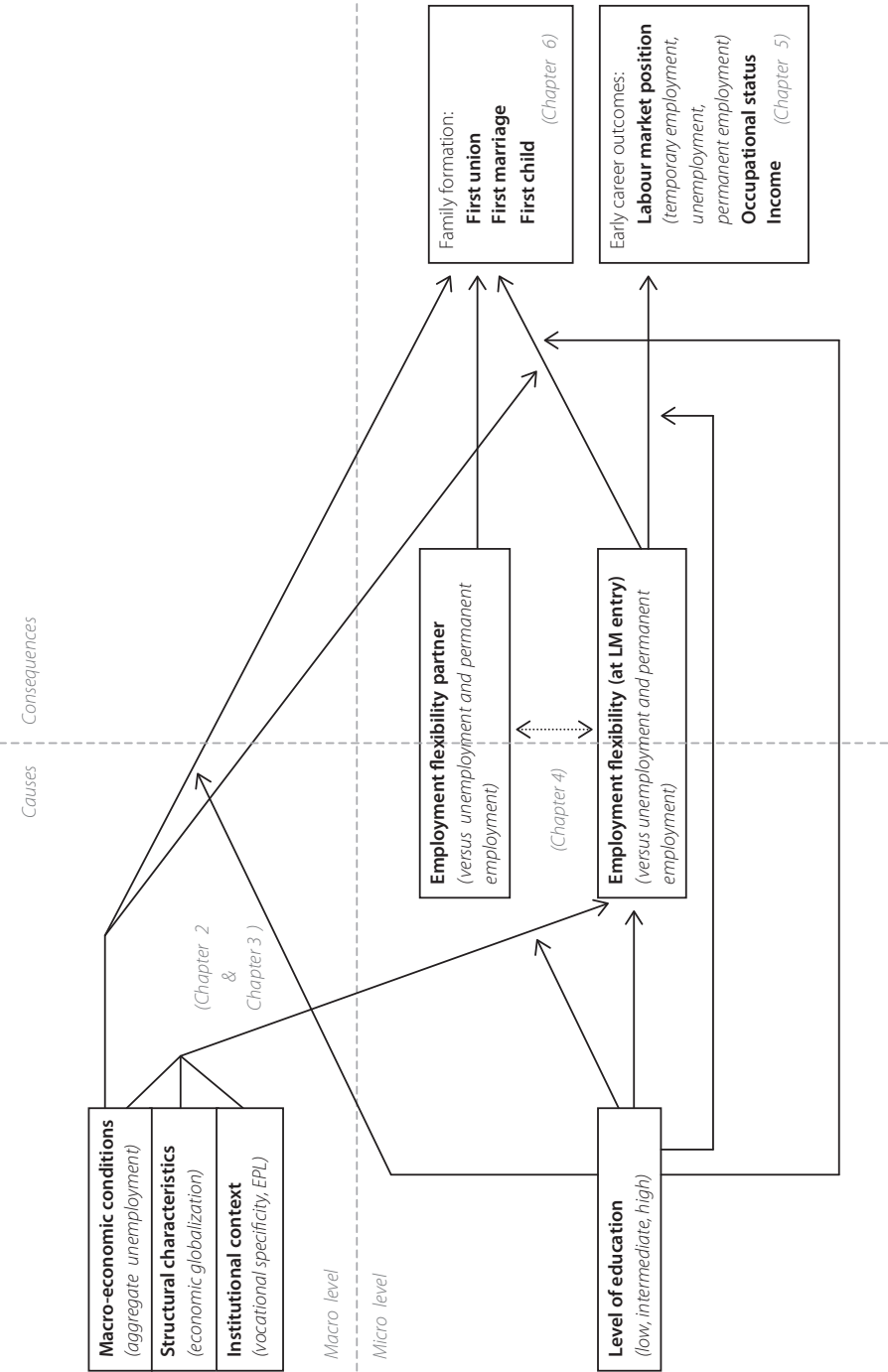


Figure 1.3 Schematic overview of the interdependence between the empirical chapters.

2

Trends in labour market flexibilization in the Netherlands: Employment flexibility among labour market entrants¹

¹ A slightly different version of this chapter has been published in *International Sociology* (de Lange, Gesthuizen & Wolbers, 2012). An earlier version of this chapter was presented at the 17th workshop of the European Research Network on Transitions in Youth in Dijon, France, September 2009, and at the 'AMCIS Jaarconferentie Onderwijs en stratificatie: Effecten op het gebied van Ongelijkheid, Arbeidsmarkt en Participatie in de afgelopen decennia' of the Amsterdam Centre for Inequality Studies in Amsterdam, the Netherlands, January 2011.

ABSTRACT

This study examines to what extent there is a trend towards increasing employment flexibility among Dutch school-leavers between 1992 and 2007, particularly among lower educated ones. In addition, we aim to explain this trend and increasing educational differences by economic globalization, controlled for business cycle effects. Multinomial logistic regression models are estimated using 16 cross-sections of the Dutch Labour Force Survey (1992-2007), including 16,447 labour market entrants. The results show that there is an increase in the likelihood of temporary employment between 1992 and 2007, which implies less permanent employment, particularly among lower educated individuals, and less unemployment, particularly among higher educated individuals. Lower educated are hence double disadvantaged by the process of labour market flexibilization. It appears that economic globalization provides an explanation for these findings, except for the increasing educational differences in temporary employment compared to unemployment.

2.1 INTRODUCTION

2.1.1 Globalization and the development of labour market flexibilization

Since the 1980s, a process of globalization has taken place (Mills & Blossfeld, 2005). Firms in advanced economies started to increasingly compete against firms from other economies around the world instead of competing only within their regional economy. This internationalization of markets and rising tax competition among welfare states 'enforced' employers to seek for greater flexibility through adaptation of the work force (Kalleberg, 2009). Consequently, a shift from low- to high-skilled labour took place and labour costs were reduced through the introduction of flexible employment relations, such as temporary jobs and on-call employment. Globalization is hence expected to have led to the development of these nonstandard work arrangements in industrialized countries, this way contributing to an increase in labour market flexibilization from about the 1990s. At the individual level, labour market flexibilization may be regarded from opposing perspectives. On the one hand, quite a large body of literature concerns the negative side of temporary employment, i.e. that people might get 'trapped' in such unstable jobs if they once accept one, which is obviously bad for subsequent career development (Scherer, 2005; Steijn et al., 2006). On the other hand, temporary employment does offer individuals the opportunity to actively participate in the labour market or, at least, to stay in touch with it. In this way, it might function as a step towards permanent employment (de Graaf-Zijl et al., 2011).

Labour market flexibilization is especially concentrated among young people who enter first employment (Bukodi et al., 2008; Mills & Blossfeld, 2005). Labour market entrants are considered as outsiders in the labour market by firms. They usually lack work experience, seniority, lobby, and networks, which makes it hard for them to get a secure and stable job as compared to the established labour work force (Bukodi et al., 2008; De Vreyer et al., 2000). A temporary contract enables employers to screen labour market entrants' work potential first before offering them a permanent one, as it is difficult and costly to fire an inadequately functioning employee with a permanent contract.

Although all young people face difficulties in entering the labour market, the likelihood of entering temporary employment differs between particular groups of school-leavers (van der Velden & Wolbers, 2003). Breen (1997), for instance, argues that especially socially deprived groups of young workers are the victims of labour market flexibilization and that already existing social inequalities are intensified as the stock of precarious labour market positions increases. Labour market flexibilization will disproportionately affect those, who already have a weak position in the labour market, i.e. labour market entrants without or with low (vocational) qualifications.

2.1.2 Research questions

In this chapter, we study labour market flexibilization among school-leavers in the Netherlands since the 1990s. More specifically, we focus on educational differences in this respect, given the decisive role of education in the allocation process in the labour market. First, we describe the trend towards labour market flexibilization – by contrasting temporary employment with permanent employment and with unemployment – among school-leavers in the Netherlands, particularly among the least qualified. Second, we explain this trend in labour market flexibilization and the (increasing) educational differences in this trend by focusing on the impact of globalization.² Accordingly, our research questions are as follows: *To what extent does flexibilization of the labour market actually lead to more employment flexibility among Dutch labour market entrants since the 1990s? To what degree do educational differences exist in this trend? To what extent can globalization, controlled for macro-economic conditions, explain these developments?* To answer these questions, we analyse repeated cross-sections of the Dutch Labour Force Survey (LFS) as collected by Statistics Netherlands in the period 1992-2007. Since the 1990s, actually, the effect of globalization in terms of employment flexibilization should be visible in the Dutch labour market.

2.1.3 Labour market flexibilization in the Netherlands

The Netherlands provides an interesting context for the analysis of labour market flexibilization among school-leavers. The period of the early 1980s to the late 1990s is characterized by a transition from 'Dutch Disease' to 'Dutch Miracle' (Visser & Hemerijck, 1997). In the beginning of the 1980s, the economic situation was marked by high levels of unemployment together with low employment growth (Delsen, 2000). This so-called 'Dutch Disease' was particularly prevalent among youth: In 1984 the unemployment level among young people even reached a peak of 25 per cent (Salverda, 1992), compared to the general unemployment level of 10 per cent in the same year (Karsten et al., 2008). The start of recovery from this economic disorder was in 1982 through the Wassenaar Agreement: an arrangement between employers' organizations and trade unions combining wage restraint with a redistribution of labour to combat (youth) unemployment and enhance competitive power (Langenberg & van der Zwan, 2007). The subsequent

² We acknowledge that other, related contextual factors (such as skill-biased technological change, the changing balance between supply and demand for various educational groups in the work force, employment protection legislation, and so on [Hevenstone, 2010]) matter as well for the explanation of labour market flexibilization. In our view, however, these factors have in common that they are all preceded by globalization. Or in other words, they are intermediating macro-level characteristics interpreting the relationship between globalization and labour market flexibilization. For example, globalization is the driving force behind the skill upgrading of the occupational structure in the labour market, translated in a reduction of labour costs through the use of flexible employment relations. According to us, it is therefore legitimate to focus solely on the impact of globalization on employment flexibility among labour market entrants.

employment growth from the mid-1980s and onwards, particularly during the mid-1990s, became known as the 'Dutch Miracle'.

Despite this strong job growth, an important part of it concerned the introduction of flexible employment relations (Delsen & de Jong, 1997). This regards on call-employment and temporary jobs (with employment contracts of less than one year). Such jobs are usually considered as marginal jobs by employees, as they offer little labour market perspective and security in terms of a stable employment contract accompanied by a fixed income, especially compared to jobs with a permanent employment contract. In addition to the fact that temporary jobs are cyclically sensitive, flexibilization of the labour market causes structural problems to individuals' lives: People might stay in such unstable jobs in their further career, which might lead to exclusion from the labour market and to poverty subsequently (Scherer, 2005; Steijn et al., 2006). The 'Dutch Miracle', therefore, is often referred to as an unstable miracle (Delsen & de Jong, 1997). Again, this particularly relates to young people: 27 per cent of the Dutch youth between 15 and 25 had a temporary job in 2001, as against 9 per cent of the whole working population. In addition, such jobs are often low qualified employment (Salverda, 2003). This implies that labour market flexibilization in the Netherlands is particularly concentrated among lower qualified labour market entrants.

2.1.4 Contributions to the literature on labour market flexibilization

We improve upon previous studies in at least four ways. First, we offer a direct test of the effect of globalization on the likelihood of temporary employment among school-leavers in the Netherlands. Although other Dutch studies have focused on the role of globalization in explaining trends in temporary employment during the early career (see Liefbroer, 2005; Wolbers, 2008a), these authors have not used an explicit measure of globalization in their models. In this chapter, we follow Raab et al. (2008), who used an index of globalization to investigate the impact of globalization on labour market entries and early careers in Germany and the United Kingdom, controlled for business cycle effects. It appeared that globalization creates better opportunities for young adults in the highly flexible British labour market, while in the German insider-outsider labour market young people are disproportionately disadvantaged through the process of globalization. However, once employed, British youth do also experience more labour market insecurities because of labour market flexibilization.

Second, the study of Raab et al. (2008) only analyses the unemployment risk after having entered first employment. As the literature on labour market flexibilization is not quite clear about whether the trend in flexible employment relations points towards a positive or a negative future perspective, we simultaneously compare temporary employment to permanent employment and unemployment. In this way, we take account of the fact that temporary employment is not just an alternative to permanent employment, but that it is an alternative to unemployment as well, which has not been done previously. This might

be particularly important when studying education-specific trends (see third contribution below). Implicitly, this assumes a kind of hierarchy where permanent employment is on top, followed by temporary employment, and unemployment is at the bottom. The rationale behind this hierarchy is that, compared to permanent employment, a temporary job is associated with employment uncertainty, while compared to unemployment, it offers at least some (fixed-term) certainty as well as the opportunity to obtain working experience.

Third, we advance on previous research by focusing on differences between lower and higher educated people with respect to their likelihood to be in temporary employment. Like discussed before, it is argued that employment flexibility is largely concentrated among (young) people with limited human capital. Labour market flexibilization therefore reinforces existing social inequalities (Breen, 1997; Kalleberg, 2009; Mills & Blossfeld, 2005). We are particularly interested in the extent to which globalization is able to explain the differential trends in employment flexibility among educational groups. This has not been investigated earlier.

Fourth, we are able to study the impact of globalization on flexibilization over a relatively long time span in which flexibilization actually seemed to accelerate. One might argue that existing panel studies in the Netherlands are more adequate than the Dutch LFS to investigate the impact of globalization on employment transitions at labour entry and during the early career. However, the latter has some considerable advantages. As it is the official tool of Statistics Netherlands to monitor changes in the Dutch labour market, it is both highly comparable across years and it provides much statistical power given its large sample sizes. These two factors are obviously crucial to test the education-specific effect of globalization on employment flexibility. Furthermore, as the Dutch LFS contains information on when respondents left full-time education, very precise selections can be made of young people (aged 15 to 34), who entered the labour market in the past twelve months. In this way, we come quite close to the school-to-work transitions obtainable from panel studies.

2.2 THEORY AND HYPOTHESES

2.2.1 Globalization and employment flexibility

Modern society went through rapidly accelerating changes since the 1980s. These macro changes range from social, economical, cultural, and political changes to technological changes, which are commonly described as globalization (Buchholz et al., 2009; Mills & Blossfeld, 2005). Globalization is related to concepts as 'worldwide interdependency' and 'global integration'. In fact, it is not a new phenomenon: For a long time people and companies from all over the world are connected to each other through trade. But, given the speed and extent to which trade, investments and migration between countries have

increased in the past few decades, it seems legitimate to state that the world has entered a new phase of development since that period (Castells, 1996a).

Globalization can be divided into four different dimensions: economic, (socio)technological, cultural, and political globalization (Buchholz et al., 2009; Mills & Blossfeld, 2005). Each dimension is based on a specific macro process. The first dimension, i.e. economic globalization, is often considered as the key dimension of globalization and, in brief, concerns the internationalization of markets and rising tax competition among welfare states. This dimension is particularly visible after 1989 (the fall of the Iron Curtain), when interaction increased between countries with very different wage levels, social standards, and productivity levels. This led to a variety of players in different markets, resulting in growing competition between them. Both corporations and nation-states faced new challenges, in particular concerning the strong tax competition. Internationalization of markets thus implies a decline of national borders: Countries started worldwide cooperation and agreed on developing common laws, institutions, or practices, making it easier and cheaper to cross borders with commodities, labour, services, and capital. This involves, for instance, that labour-intensive and costly work is transferred to countries with lower wages, like India, or that inexpensive workers from, for example, Poland are set to work in the Netherlands to save labour costs. This way, corporations within countries gained opportunities to capture a powerful position in the world economy. However, they also experienced more and more global competition, resulting in downwardly adjusted prizes of goods and services and stronger fluctuations in their supply and demand. In sum, economic globalization comes down to employers having to deal with more insecurity. In reaction, they have started offering more nonstandard work contracts, like temporary jobs (Kalleberg, 2009), so that they could more easily adjust their workforce to the supply and demand of that specific moment.

Although economic globalization is often regarded as the most important dimension of globalization that is driving flexibilization, we will briefly pay attention to the other three dimensions and their (indirect) link with employment flexibility. The second dimension, (socio)technological globalization, includes the spread of global networks and firms linked by ICTs, such as microcomputers and the Internet. Thanks to these new ICTs, together with modern mass media, the diffusion of information and knowledge is hardly delayed or restricted by time or space (Castells, 1996a). Technological advancements also enabled companies to become globally competitive (Kalleberg, 2009). This way, ICTs contributed to increased labour market competition and hence to the rise of more temporary employment, like previously discussed. In addition, technological innovation led to changes in the work process: There has been a growing need for knowledge-intensive work (Berman et al., 1998; Maurin & Thesmar, 2004; Spitz-Oener, 2006). Given the shift *'from manufacturing-based, mass production to an information-based economy organized around flexible production'* (Kalleberg, 2009, p. 3), the service sector expanded enormously at the expense of the traditional industrial and agricultural sectors. This 'upgrading' of the

labour market structure involved a favour for skilled over unskilled or low-skilled workers, also known as 'skill-biased technological change' (Katz & Autor, 1999). Especially in Europe, where labour markets are quite rigid, this process of skill upgrading has been adjusted to a large extent through high unemployment and the allocation of an increasingly large proportion of workers in flexible employment relations (DiPrete, 2005).

The third dimension refers to cultural globalization. Again, new ICTs and mass media play an important role, however, now in spreading Western culture (characterized by belief in growth and progress), values, and standards over the world. It is expected that a global culture will develop, including the spread of western values, such as rationalism and universalism, the civil right of education and equal opportunities, as well as the political rights of freedom (Raab et al., 2008). It is likely that cultural globalization affects labour market flexibilization mainly through its positive effect on the spread of economic globalization.

The fourth dimension of political globalization concerns the internationalization of politics. Without common political decisions it is hard to communicate, trade, or cooperate. Also, internationalization of politics intensifies the interaction between nation states and links social groups from various countries (Raab et al., 2008). Therefore, we expect political globalization to indirectly induce labour market flexibilization through the encouragement of particularly economic globalization.

Figure 2.1 illustrates how globalization has developed in (Western and Eastern) Europe and specifically in the Netherlands since the 1980s. It shows the overall globalization index as developed by the KOF Konjunkturforschungsstelle at the Swiss Federal Institute of Technology Zurich (in brief 'KOF Index of Globalization'), as well as the economic dimension of globalization (see section 2.3.3 for a description of this variable) (Dreher, 2006). It is clear from this figure that, overall, (economic) globalization has increased in Europe. The same rising trend can be observed for the Netherlands, although its level has always been substantially higher. In 2000, the (economic) globalization level seems to stabilize in the Netherlands, while it is still rising in Europe and approaching the Dutch level. The fact that the Netherlands seems to be a country that is far more globalized than many other European countries makes it a particularly interesting case within Europe to study the effect of globalization on labour market flexibilization.

2.2.2 Hypotheses on the effect of globalization on employment flexibility in the Netherlands

Although previous research has investigated the role of globalization in explaining trends in temporary employment during the early working career of individuals in the Netherlands (Liefbroer, 2005; Wolbers, 2008a), these studies have not provided a direct test of this general hypothesis. In this chapter, we follow Raab et al. (2008), who constructed an index of globalization and investigated the effect of it on labour market entry and early careers in Germany and the United Kingdom, controlled for business cycle effects. By applying

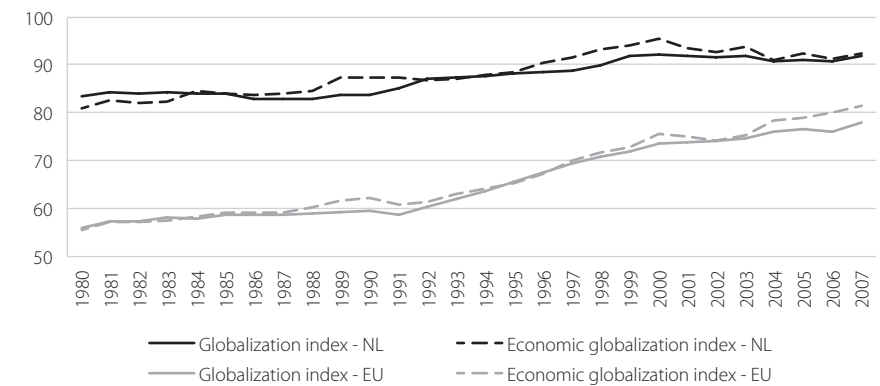


Figure 2.1 (Economic) globalization index in the Netherlands (NL) and Europe (EU) (1980-2007).

Source: KOF Index of Globalization, 1980-2007 (Dreher, 2006).

such an index for the Netherlands, the direct impact of globalization on employment flexibility among labour market entrants is investigated in the Dutch context for the first time. In testing the globalization hypothesis, we only focus on the economic dimension of it. As mentioned above, this dimension entails that individuals, firms, and governments, who increasingly experience competition and interdependency due to globalizing markets, have difficulties in predicting the future of the market and in making choices between different alternatives and strategies. Economic globalization therefore leads to increasing uncertainties about economic and social developments, resulting, for instance, in labour market flexibilization (Mills & Blossfeld, 2005). The three other dimensions of globalization are only indirectly linked with employment flexibility and are therefore less relevant in this respect. Moreover, the economic dimension of globalization very strongly correlates with the overall globalization index (see Figure 2.1), making it a very direct and parsimonious measure for empirical purposes.

The consequence of increasing uncertainties is that it becomes less attractive for employers to make long-term commitments and that it leads to so-called 'contingent asymmetric commitment' (Breen, 1997). The latter implies that there is an agreement between two parties, but one of both parties has the possibility to withdraw from the relationship if required by the circumstances, while the other party can only comply with whatever the first party chooses to do. Employers gratefully use this strategy in uncertain times, making them seek for a more flexible labour market in order to cut costs, which can be reached, for instance, through the creation of more fixed-term employment contracts. Their degree of commitment to actual and prospective employees thus declines in uncertain times: It allows employers to retain employees when they are needed and to

get rid of them when they are not (Breen, 1997, p. 477). This way, the risks resulting from economic globalization are shifted from employers to employees and future-employees, who can only accept what is offered to them, i.e. a temporary contract, or else they will probably be unemployed. Accordingly, the first hypothesis reads that the level of economic globalization has a positive effect on the likelihood of temporary employment as against permanent employment among labour market entrants in the Netherlands (H1a).

Although a rise in temporary employment as compared to permanent employment does not draw a positive image of the outcomes of globalization – apart from the fact that some people might prefer such a flexible type of employment themselves – it can also be viewed from a more bright side. Considering the fact that employers could be reluctant to hire employees at all in times of fast growing globalization, people who are in temporary employment during such times at least belong to the active labour force, which implies that they are not unemployed. So, temporary employment might be regarded as a good alternative to unemployment in a world that is highly globalized (Giesecke & Groß, 2003; OECD, 1986). This leads to the hypothesis that the level of economic globalization has a positive effect on the likelihood of temporary employment as against unemployment among labour market entrants in the Netherlands (H2a).

2.2.3 Hypotheses on the effect of globalization on educational differences in the Netherlands

It can be expected that increasing uncertainty is a consequence of globalization that does not strike all individuals in modern societies to the same extent (Kalleberg, 2009). Given that in current knowledge-based society the most important selection criterion in the labour market is education, in particular at labour market entry when employers have no information other than qualifications about the labour productivity of potential workers, lower educated individuals are put at a disadvantage when entering the labour market, compared to those with higher education. This not only holds true for wage level or occupational status, but also for aspects of job security, such as temporary employment. As economic globalization increases uncertainty and transfers this risk from employers to their employees, it is likely that the consequences of this process are felt most by the lower educated. According to Breen (1997), it is very important for employers in their decision to offer a long-term employment contract whether or not it is difficult or impossible to monitor exactly what a worker is doing. For instance, highly skilled jobs are hard to submit to direct supervision, because of the specialized knowledge of the employee holding the job, compared to lower skilled jobs. Consequently, highly skilled jobs are most often rewarded with a long-term employment contract, even in times of high uncertainty. As highly skilled jobs are only available for those with high qualifications, labour market entrants with higher education are more strongly protected against the consequences of economic globalization than lower educated. So, we expect that the positive effect of the level of economic globalization on the likelihood of temporary employment as against

permanent employment is stronger for lower educated labour market entrants in the Netherlands than for higher educated ones (H1b).

Also regarding the likelihood of temporary employment as against unemployment, we expect differences in the effect of economic globalization between people with a different educational level. With globalization, a shift took place from low-skilled to high-skilled labour, also called 'skill-biased technological change' (Katz & Autor, 1999). Consequently, the current labour market is characterized by more highly skilled jobs (both temporary and permanent ones), and the demand for people with higher education has been growing. Higher educated labour market entrants are expected to be 'protected' from unemployment because of the skill upgrading. Although higher educated people are, in general, less likely to be in temporary employment, they might use it as a strategy to avoid not having a job at all. Moreover, if the number of available high-skilled jobs is not sufficient to provide all higher educated labour market entrants with a job at their educational level, they can still choose to accept a (temporary) lower-skilled job. For lower educated labour market entrants, however, it is more difficult or even impossible to accept a temporary job below their educational level, and they are therefore more likely to be pushed into unemployment. This is generally referred to as 'crowding-out' (Borghans & de Grip, 2000). So, our last hypothesis in this chapter reads that the positive effect of the level of economic globalization on the likelihood of temporary employment as against unemployment is stronger for higher educated labour market entrants in the Netherlands than for lower educated ones (H2b).

2.3 DATA AND MEASUREMENTS

2.3.1 Data and analytical sample

To test our hypotheses, we pooled 16 cross-sections of the Dutch Labour Force Survey (LFS) (in Dutch: 'Enquête Beroepsbevolking' or EBB), collected by Statistics Netherlands in the period between 1992 and 2007. The LFS is a large-scale survey with the aim to monitor the Dutch labour market situation. The data are representative of the Dutch non-institutionalized population of 15 years and older, and data collection takes place every year in order to provide national employment statistics on a regularly basis. The LFS contains detailed information on the education and occupation of respondents, including information on flexible employment relations. The compiled dataset originally included 1,404,169 respondents. Given this large sample size and, related to that, the strong statistical power, this repeated cross-sectional dataset is very suitable for the purpose of this chapter, i.e. to test the education-specific effect of globalization on employment flexibility of individuals.

The focus in this chapter is on school-leavers and in order to define them, we first of all selected respondents aged 15 to 34, who left full-time education in the last twelve months

preceding the survey. Note that, although this reduces the sample size significantly, it brings us closest to the group that has experienced the transition from school to work very recently. Second, we only selected respondents who belong to the labour force.³ Third, we excluded young workers who, after the selections described above, nevertheless reported that their main activity was in education. It could be that these respondents were active, for instance, in the apprenticeship system. After all these selections, an analytical sample of 16,447 respondents remained. In Figure 2.2, the age distribution of the selected labour market entrants is shown.

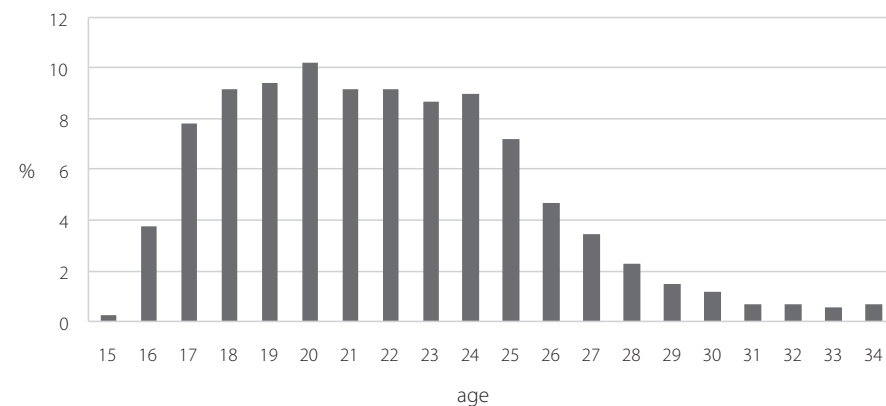


Figure 2.2 Age at leaving education (in 12 months prior to survey).

Source: Dutch Labour Force Survey (1992-2007).

2.3.2 Dependent variable

Type of contract is based on a variable in the dataset indicating whether the respondent: (1) worked as an employee with a permanent employment relationship (i.e. having an employment contract of at least one year and for a fixed number of working hours)⁴, (2) worked as an employee with a flexible employment relationship (i.e. having an employment contract of less than one year without perspective of a permanent contract, and/or having an employment contract for an indefinite number of working hours; so, also people working through an employment agency have a flexible employment

³ This means that inactive persons were excluded from the empirical analysis. This group mainly consists of pupils or students who have not entered the labour market yet. Other forms of inactivity (i.e. being a housewife or being disabled) hardly exist among labour market entrants and are not a relevant labour market outcome hence.

⁴ The one year limit for contract duration is the usual definition of Statistics Netherlands. In the Netherlands, one year contracts are frequently used as an extended probationary period after which a permanent contract is usually offered. For this reason, it is quite understandable that these contracts are considered as a permanent employment relationship. Moreover, this definition implies that temporary contracts among the higher educated (such as PhD students at universities or graduates in a traineeship) are also treated as permanent employment.

relationship), (3) was self-employed within one's own company, (4) was self-employed within the company of the partner or parent(s), (5) or otherwise self-employed (as a freelancer for instance). In the analysis, we only included respondents indicating to work as an employee and excluded the few labour market entrants who were self-employed (2 per cent), since this concerns a group of individuals with a very specific type of employment that is neither permanent nor temporary. To measure *employment situation*, subsequently, we coded respondents with a permanent employment relationship as being in 'permanent employment' and those with a flexible employment relationship as being in 'temporary employment'. In addition, individuals who belong to the unemployed labour force (i.e. according to the ILO definition: not working or working less than 12 hours per week and actively seeking for work) form a third category of those being in 'unemployment'. Figure 2.3 shows the distribution of the dependent variable for the period between 1992 and 2007. The results indicate a trend towards labour market flexibilization. The share of labour market entrants in temporary employment increases from 22 per cent in 1992 to 34 per cent in 2005, followed by a slight decrease in the last two years of observation.

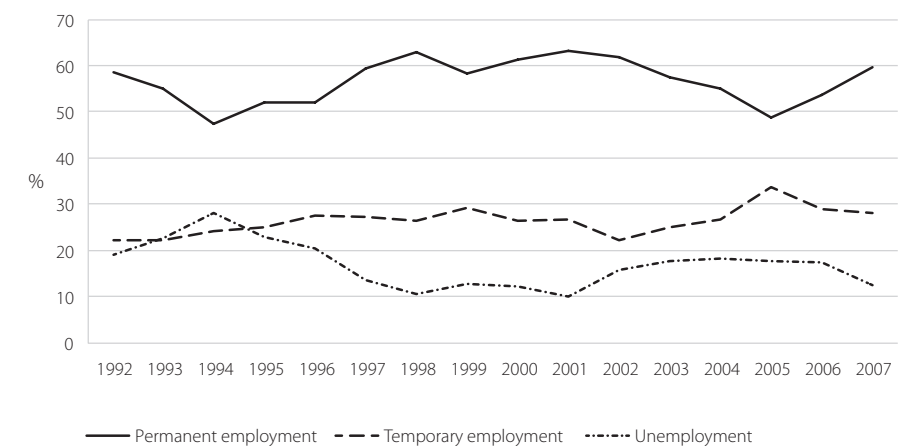


Figure 2.3 Distribution of dependent variable: employment situation (1992-2007).

Source: Dutch Labour Force Survey (1992-2007).

2.3.3 Independent variables

The highest *level of education* is measured by six educational categories: elementary education or lower vocational education (BO/LBO), intermediate general education (MAVO), higher general education (HAVO/VWO), intermediate vocational education (MBO), higher vocational education (HBO), and university (WO). We decided to combine elementary education and lower vocational education in one category as the former contained only 3 per cent of the respondents in our

data. This category is used as reference group. *Year* is included as dummy variables indicating the year of the survey. We used 1992 as the reference category. The *level of globalization* is measured by the economic dimension of the KOF Index of Globalization (Dreher, 2006). The overall index covers the various dimensions of globalization, but we only included the measurement of economic globalization in the multivariate analysis. As argued above, this dimension is the most important one related to labour market flexibilization. Furthermore, the correlations between economic globalization and the other dimensions of globalization generally appear to be rather strong, which implies that the various dimensions cannot be simultaneously included in one regression model, as it would lead to problems of multicollinearity. The dimension of economic globalization includes two indicators. First, it refers to actual economic flows, which are usually taken as an indicator of globalization. This subindex includes data on trade, foreign direct investment (FDI), portfolio investment, and income payments to foreign nationals. Second, economic globalization includes proxies for restrictions to trade and capital, which actually indicate the absence of globalization. More specifically, this subindex refers to restrictions on trade and capital using hidden import barriers, mean tariff rates, taxes on international trade (as a share of current revenue), and an index of capital controls. The scale measuring economic globalization includes weights of all these variables and is transformed into an index ranging from 1 to 100, where a higher value refers to a higher level of economic globalization (Dreher, 2006). For the period 1970 to 2007, this index is calculated every year for 208 countries. We added the information on economic globalization for the Netherlands concerning the period 1992-2007 to the micro-level data. The value of this variable ranges from 87 to 96.

2.3.4 Control variables

Sex is measured by distinguishing men and women, the former being the reference category. *Ethnicity* is included as a dummy variable referring to natives (reference category) and non-natives. A further distinction between ethnic groups was not possible for all survey years. Non-natives are defined as individuals with at least one parent born abroad. Information on the *field of education* was used to construct dummy variables indicating general education (reference category), technical education, economical education, and cultural education. To control for business cycle effects, we included the *aggregate unemployment rate* for each year (percentage unemployed of the total labour force), provided by Statistics Netherlands (CBS, 2009).⁵ The unemployment rate varies from 3.5 to 8.5 per cent. An overview of all variables included in the analysis is presented in Table 2.1.

⁵ Although there are other indicators available to measure business cycle effects, such as (growth in) the Gross Domestic Product (GDP), we believe that the aggregate unemployment rate comes closest to changes in the business cycle. GDP, for instance, is more an indicator of a country's general prosperity level than a measurement of macro-economic fluctuations. Furthermore, in much previous research on early labour market careers, the aggregate unemployment rate is used as an indicator for the business cycle (see, for instance, Gangl, 2002; Raab et al., 2008; Russell & O'Connell, 2001).

Table 2.1 Descriptive statistics of the dependent and independent variables (N = 16,447).

	Distribution	Range	Mean	St. Dev.
<i>Dependent variable</i>				
Employment situation				
Permanent employment	57%			
Temporary employment	26%			
Unemployment	17%			
<i>Independent variables</i>				
Sex				
Male		0/1	0.52	
Female		0/1	0.48	
Ethnicity				
Native		0/1	0.91	
Non-native		0/1	0.09	
Level of education				
Elementary/Lower vocational (BO/LBO)		0/1	0.16	
Intermediate general (MAVO)		0/1	0.08	
Higher general (HAVO/VWO)		0/1	0.10	
Intermediate vocational (MBO)		0/1	0.31	
Higher vocational (HBO)		0/1	0.23	
University (WO)		0/1	0.12	
Field of education				
General		0/1	0.22	
Technical		0/1	0.25	
Economical		0/1	0.23	
Cultural		0/1	0.29	
Year				
1992		0/1	0.07	
1993		0/1	0.07	
1994		0/1	0.06	
1995		0/1	0.08	
1996		0/1	0.07	
1997		0/1	0.07	
1998		0/1	0.06	
1999		0/1	0.07	
2000		0/1	0.07	
2001		0/1	0.06	
2002		0/1	0.06	
2003		0/1	0.06	
2004		0/1	0.05	
2005		0/1	0.04	
2006		0/1	0.05	
2007		0/1	0.06	
Year (linear)		1 - 15	6.99	4.49
Economic globalization		86.78 - 95.54	91.32	2.63
Unemployment rate		3.46 - 8.46	5.86	1.58

Source: Dutch Labour Force Survey (1992-2007).

2.4 RESULTS

2.4.1 Descriptive analysis

Before turning to the multivariate analysis, we first show some descriptive results (see Figure 2.4) that give more insight into the differences in temporary employment among school-leavers with different levels of education in the Netherlands in the period 1992-2007. In the upper part of this figure, temporary employment is considered as an alternative to permanent employment. In the lower part, we consider temporary employment as an alternative to unemployment.

From Figure 2.4 we derive that, in general, there is an increase in temporary employment compared to permanent employment between 1992 and 2007 for the three lowest levels of education (i.e. elementary/lower vocational, intermediate general, and higher general education). The three highest levels of education (i.e. intermediate vocational, higher vocational, and university) are relatively less often in temporary employment (compared to permanent employment) and show no increase during 1992 and 2007. This implies that there is a growing gap between lower and higher educated labour market entrants in their likelihood of being in temporary employment, compared to permanent employment. It also shows that occupation-specific skills are valued in the labour market: People with general education more often start in temporary employment than people with vocational education.

When we compare temporary employment to unemployment in Figure 2.4, we again see a general rise in temporary employment between 1992 and 2007. However, differences between various levels of education are difficult to discern, as the different lines are close to and even cross each other. Only the people with a university degree seem to be less often in temporary employment compared to unemployment than people with a lower level of education.

2.4.2 Multivariate analysis

The observed trends in Figure 2.4 are further investigated by means of multivariate analysis. Table 2.2 presents the results of the multinomial logistic regression analysis on employment situation. In the first part of this table temporary employment is considered as an alternative to permanent employment and in the second part of this table as an alternative to unemployment. An additional table presenting the results of the multinomial logistic regression analysis comparing unemployment to permanent employment is provided in the Appendix (Table A1). Four models have been estimated. The baseline model (Model 1) includes the variables level of education and year, statistically controlling for several covariates. In the second model, statistical interaction terms between level of education and year have been added to the previous model to see whether the trends in labour market flexibilization differ across educational groups. The main effect of year is included as dummy variables, but for estimating the interaction terms year is included as a

linear variable (1992=0). This allows to estimate (linear) deviations from a (nonlinear) trend in temporary employment in a parsimonious way. In Model 3, the year dummies have been replaced by the two macro measures economic globalization and unemployment rate, in order to find out to what extent temporal variation in employment flexibility can be

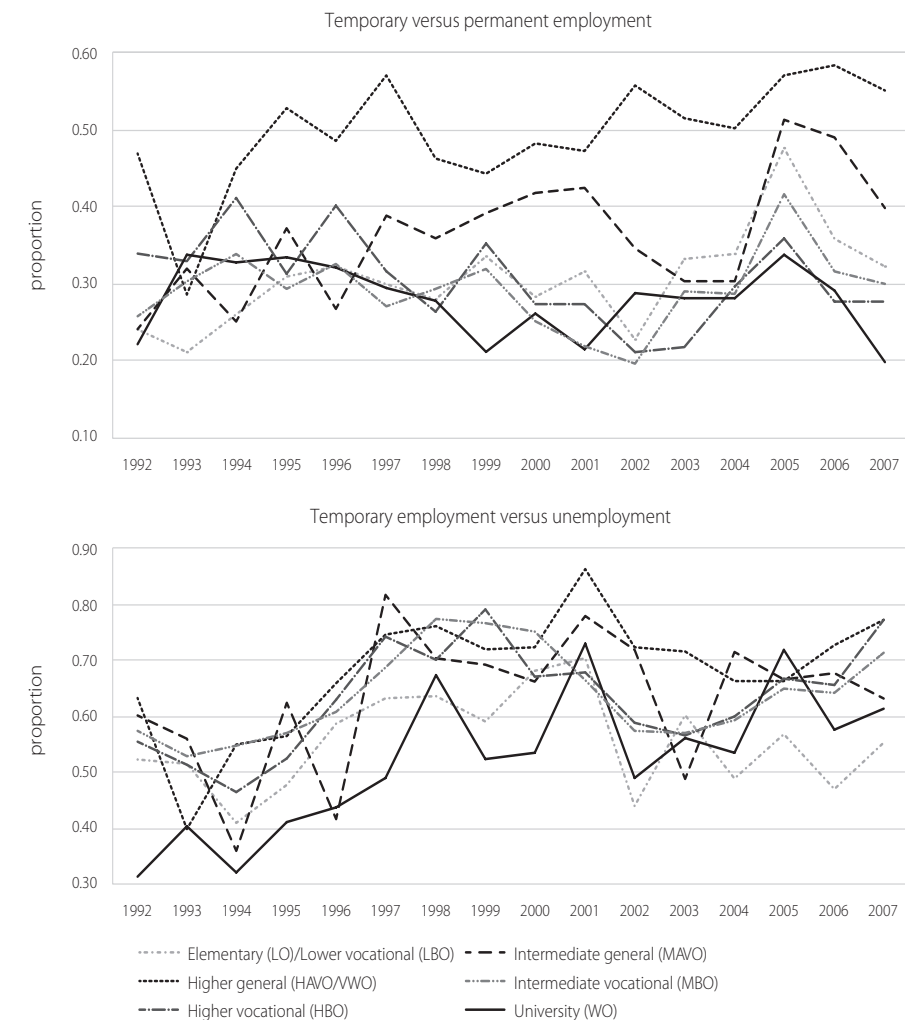


Figure 2.4 Trends in temporary employment among school-leavers with different levels of education in the Netherlands (1992-2007).

Source: Dutch Labour Force Survey (1992-2007).

Table 2.2 Multinomial logistic regression of employment situation at labour market entry: unstandardized coefficients (N = 16,447).

	Temporary versus permanent employment					Temporary employment versus unemployment			
	Model 1	Model 2	Model 3	Model 4		Model 1	Model 2	Model 3	Model 4
Intercept	-0.921**	-1.102**	-6.393**	-10.379**	Intercept	-0.383**	-0.213	-6.370**	-3.923
Sex					Sex				
Male	ref.	ref.	ref.	ref.	Male	ref.	ref.	ref.	ref.
Female	0.204**	0.206**	0.200**	0.202**	Female	0.028	0.022	0.021	0.018
Ethnicity					Ethnicity				
Native	ref.	ref.	ref.	ref.	Native	ref.	ref.	ref.	ref.
Non-native	0.307**	0.308**	0.315**	0.317**	Non-native	-0.496**	-0.494**	-0.500**	-0.500**
Level of education					Level of education				
Elementary/Lower vocational (BO/LBO)	ref.	ref.	ref.	ref.	Elementary/Lower vocational (BO/LBO)	ref.	ref.	ref.	ref.
Intermediate general (MAVO)	0.077	-0.036	0.090	-2.757	Intermediate general (MAVO)	0.640**	0.495*	0.638**	0.431
Higher general (HAVO/VWO)	0.635**	0.577**	0.647**	1.505	Higher general (HAVO/VWO)	0.887**	0.566**	0.888**	-3.140
Intermediate vocational (MBO)	-0.060	0.181	-0.063	5.380**	Intermediate vocational (MBO)	0.152	0.040	0.157	-1.360
Higher vocational (HBO)	0.009	0.494**	0.021	8.294**	Higher vocational (HBO)	0.073	-0.127	0.086	-3.377
University (WO)	-0.117	0.270	-0.100	7.388**	University (WO)	-0.435**	-0.884**	-0.401**	-6.546*
Field of education					Field of education				
General	ref.	ref.	ref.	ref.	General	ref.	ref.	ref.	ref.
Technical	-0.291*	-0.307**	-0.284*	-0.278*	Technical	0.554**	0.573**	0.550**	0.544**
Economical	-0.238*	-0.250*	-0.231	-0.224	Economical	0.516**	0.532**	0.518**	0.509**
Cultural	-0.194	-0.200	-0.185	-0.173	Cultural	0.534**	0.551**	0.537**	0.529**
Year					Year				
1992	ref.	ref.			1992	ref.	ref.		
1993	0.086	0.109			1993	-0.179	-0.208		
1994	0.298**	0.342**			1994	-0.293*	-0.355**		
1995	0.247*	0.318**			1995	-0.049	-0.136		
1996	0.359**	0.458**			1996	0.158	0.041		
1997	0.208*	0.345**			1997	0.578**	0.430**		
1998	0.098	0.266*			1998	0.791**	0.610**		
1999	0.251*	0.456**			1999	0.688**	0.474**		
2000	0.051	0.287*			2000	0.657**	0.417*		
2001	0.021	0.283*			2001	0.873**	0.608**		
2002	-0.118	0.180			2002	0.213	-0.084		
2003	0.072	0.403**			2003	0.222	-0.114		
2004	0.144	0.537**			2004	0.260	-0.147		
2005	0.543**	0.992**			2005	0.558**	0.109		
2006	0.288*	0.749**			2006	0.446**	-0.042		
2007	0.144	0.615**			2007	0.699**	0.228		
Year*Intermediate general (MAVO)		0.011			Year*Intermediate general (MAVO)		0.025		
Year*Higher general (HAVO/VWO)		0.000			Year*Higher general (HAVO/VWO)		0.050*		
Year*Intermediate vocational (MBO)		-0.037**			Year*Intermediate vocational (MBO)		0.019		
Year*Higher vocational (HBO)		-0.068**			Year*Higher vocational (HBO)		0.037*		
Year*University (WO)		-0.056**			Year*University (WO)		0.074**		

Table 2.2 Continued.

	Temporary versus permanent employment					Temporary employment versus unemployment			
	Model 1	Model 2	Model 3	Model 4		Model 1	Model 2	Model 3	Model 4
Economic globalization (EG)			0.054**	0.097**	Economic globalization (EG)			0.074**	0.047
Unemployment rate			0.123**	0.122**	Unemployment rate			-0.081**	-0.082**
EG*Intermediate general (MAVO)				0.031	EG*Intermediate general (MAVO)				0.002
EG*Higher general (HAVO/VWO)				-0.010	EG*Higher general (HAVO/VWO)				0.044
EG*Intermediate vocational (MBO)				-0.060**	EG*Intermediate vocational (MBO)				0.017
EG*Higher vocational (HBO)				-0.091**	EG*Higher vocational (HBO)				0.039
EG*University (WO)				-0.082**	EG*University (WO)				0.068
Model chi ²	920	1026	839	904	Model chi ²	920	1026	839	904
Degrees of freedom	50	60	24	34	Degrees of freedom	50	60	24	34

** p<0.01; * p< 0.05 (two-tailed test).

Source: Dutch Labour Force Survey (1992-2007).

ascribed to economic globalization, controlled for macro-economic conditions (hypotheses 1a and 2a are tested using this model). In the fourth model, finally, statistical interaction terms between level of education and economic globalization have been added to test the education-specific effects of economic globalization on employment flexibility (hypotheses 1b and 2b are tested in this model).

From Model 1 on temporary versus permanent employment, we derive that people with higher general education are more likely to be in temporary employment compared to permanent employment than people with elementary or lower vocational education. People with any other level of education do not appear to differ significantly from people with elementary or lower vocational education in the likelihood to be in temporary employment as against permanent employment. In addition, Model 1 shows that, especially in the mid 1990s and mid 2000s, a higher rate of temporary employment (as against permanent employment) can be observed, compared to the reference year 1992. Model 2 shows that the trend in temporary versus permanent employment is strongest for the lowest educated labour market entrants: The coefficients of the dummy variables for year have increased and nearly all are significant. The interaction terms show that the (nonlinear) trend in temporary employment is less strong for the three highest educated groups of school-leavers. These results largely correspond to the upper graph in Figure 2.4. Model 3 shows that the level of economic globalization has a positive effect (0.054), which is in accordance with the first hypothesis (H1a). We hypothesized, in addition, that this positive effect is stronger for lower educated school-leavers (H1b). Model 4 supports this idea: The positive effect of economic globalization is less strong for people with intermediate vocational education ($b=[0.097 + -0.060]=0.037$), higher vocational education

($b=0.006$), and university ($b=0.015$). For the other (lower) levels of education, the positive effect of economic globalization does not significantly deviate from people with elementary or lower vocational education ($b=0.097$). This implies that particularly lower educated labour market entrants deal with the negative consequences of globalization, i.e. an increase in temporary employment at the cost of permanent employment.

Model 1 on temporary employment versus unemployment shows that people with intermediate general or higher general education are more likely to be in temporary employment compared to unemployment than people with elementary or lower vocational education. People with university degree, on the other hand, are less likely to have a temporary job compared to being in unemployment. Moreover, from this model we derive that, especially in the late 1990s and mid 2000s, the rate of temporary employment as against unemployment is considerably higher than in 1992. Model 2 shows that the trend in temporary employment versus unemployment is stronger for labour market entrants with higher general education, higher vocational education, and university degrees. Apparently, these youth are better able to avoid unemployment by accepting a temporary job. Again, these findings largely correspond to the lower graph in Figure 2.4.

We did not only expect economic globalization to positively affect the likelihood of temporary employment compared to permanent employment, but also to positively influence the likelihood of temporary employment as against unemployment among labour market entrants (H2a). To test this hypothesis, we need to look at the effect of economic globalization in Model 3. As we find a positive effect here ($b=0.074$), this hypothesis is corroborated by the data. However, the hypothesis that the positive effect of

the level of economic globalization on the likelihood of temporary employment as against unemployment is stronger for higher educated labour market entrants than for lower educated ones (H2b) needs to be rejected. In Model 4 we find that, although the main effect of economic globalization and the coefficients of the interaction terms show a positive sign, they do not significantly differ from each other.

2.5 CONCLUSION AND DISCUSSION

In this chapter, we have focused on the trend towards labour market flexibilization among school-leavers in the Netherlands in the period 1992-2007. Previous research provided indications for the fact that increasing labour market uncertainty leads to reinforcement of social inequalities, as temporary employment is concentrated among (young) people with less human capital in particular. Our goal was to find out to what degree the trend towards labour market flexibilization particularly exists among lower educated labour market entrants in the Netherlands. Our second aim concerned providing an explanation for the trend in labour market flexibilization. We therefore posed the question to what extent the trend in employment flexibility and increasing educational differences in this trend could be explained by economic globalization, which is shown to be present in the Netherlands since the 1980s.

The results of the empirical analysis suggest a trend towards more temporary employment among labour market entrants in the Netherlands. Although the trend shows some fluctuations, in general, the likelihood of starting in temporary employment increased between 1992 and 2007, both compared to permanent employment and unemployment. In addition, the results showed that the trend in temporary employment compared to permanent employment is weaker for higher educated people, which implies that the negative side of employment flexibility disproportionately concerns lower educated people. Compared to higher educated people, they are more often in temporary jobs instead of in permanent jobs and hence experience more employment insecurity. With regard to the trend in temporary employment compared to unemployment, the results showed that this is particularly visible among people with higher general education, higher vocational education, or a university degree. Lower educated profit less from the positive side of labour market flexibilization, i.e. as counterpart of unemployment, whereas they are 'victims' of the negative side of employment flexibilization. This implies that they are double disadvantaged by labour market flexibilization and that social inequalities are increasing.

As regards the rising differences in employment flexibility between school-leavers with different educational levels, economic globalization seems to offer an explanation. First, our analysis showed that, in general, economic globalization is associated with more temporary employment. In addition, it appeared that in times of high levels of economic

globalization the likelihood of temporary employment compared to permanent employment is higher among lower educated labour market entrants in particular. The difference in the likelihood of being in temporary employment instead of in permanent employment between higher and lower educated people thus increases in favour of the higher educated, as economic globalization further develops. The analysis furthermore showed that the likelihood of experiencing temporary employment compared to unemployment due to economic globalization does not differ between people with different educational levels, although we found that economic globalization positively affects the likelihood to be in temporary employment compared to unemployment, in general.

What do our findings imply? The upward trend in temporary employment indicates, on the one hand, a decrease in the number of permanent employment contracts, which is a negative development as it leads to more labour market insecurity for many labour market entrants. On the other hand, the increase in temporary employment acts as an alternative to unemployment, as we have found out, which can be regarded as a positive development. However, it also appeared that the positive side of flexibilization applies to higher educated labour market entrants in particular, while the negative side is mainly true for lower educated ones. So, we conclude that lower educated labour market entrants definitely are the 'losers' of labour market flexibilization in the Netherlands since the early 1990s. In such a highly globalized country that is likely to globalize even further, lower educated labour market entrants experience more and more difficulties in getting a permanent job when entering employment for the first time, which is associated with much financial insecurity.

Although the focus of this chapter was not on long-term consequences of an insecure start in the labour market, higher levels of uncertainty and insecurity in the process of globalization are expected to hinder labour market entrants' career development and to prevent them from long-term commitments, especially concerning marriage and parenthood (Mills & Blossfeld, 2005). It is not inconceivable that such implications are particularly visible for specific groups of young adults, i.e. lower educated ones. Employment flexibility might hence have serious far-reaching consequences for the lives of school-leavers in the Netherlands, in addition to the temporal uncertainty that it involves, leading to growing social inequalities in career advancement and in family formation. Future research should therefore concentrate on the economic and demographic implications of employment flexibility in the Netherlands, not denying possible differences in such consequences between different groups of labour market entrants. A first step into this direction is made in Chapters 5 and 6 in this book.

3

Youth labour market integration across Europe: The impact of macro-economic, structural, and institutional characteristics⁶

⁶ A slightly different version of this chapter is forthcoming in *European Societies* (de Lange, Gesthuizen & Wolbers, in press-b). A Dutch version has been published in *Tijdschrift voor Arbeidsvraagstukken* (de Lange, Gesthuizen & Wolbers, 2013). An earlier version of this chapter was presented at the 'Dag van de Sociologie' of the Dutch and Flemish Sociology Association in Utrecht, the Netherlands, May 2012, at the 20th workshop of the European Research Network on Transitions in Youth in Nijmegen, the Netherlands, September 2012, and at the '2012 Conferentie Flexibel werken: Dynamiek of wildgroei?' of the Dutch Association for Industrial Relations and *Tijdschrift voor Arbeidsvraagstukken*, in The Hague, the Netherlands, October 2012.

ABSTRACT

Young people in Europe face great difficulties nowadays when entering the labour market. Temporary employment and unemployment are high among youth, although considerable differences exist between European countries. In this chapter, we study to what extent cyclical, structural, and institutional factors explain cross-national variation in youth labour market integration. In addition, we examine to what degree educational differences exist in the impact of these macro characteristics. To answer these research questions, we use data on young people from 29 European countries who were interviewed in the European Social Survey of 2002, 2004, 2006, or 2008 and left day-time education in the period 1992-2008. Both temporary employment and unemployment are regarded as a lack of labour market integration, compared to the situation of permanent employment. The results of the conducted multilevel analysis first of all show that high unemployment hinders young people to smoothly integrate into the labour market. In addition, economic globalization positively affects youth labour market integration. We also demonstrate that young people experience less difficulties with labour market integration as the educational system is more vocationally specific. Intermediate and higher educated in particular profit from the positive effect of a vocationally specific educational system. Finally, as the employment protection legislation of incumbent workers is stricter, young people experience more difficulties with labour market integration, especially higher educated youth.

3.1 INTRODUCTION

3.1.1 Youth labour market integration across Europe

Young people face great difficulties when entering the labour market nowadays. Not only youth unemployment rates are high in Europe, also the share of temporary contracts is large among youth. In 2011, more than one in five European youths under the age of 25 was unemployed and two in five employed young people had a temporary job (OECD, 2012). Although school-to-work transitions in Europe do not run very smoothly at present, youth labour market integration considerably differs across countries. Especially in Southern Europe, youth unemployment is high. In Portugal and Italy almost one in three people under the age of 25 is unemployed, and in Spain and Greece about half of them is jobless. Temporary employment rates among young people in Spain and Portugal vary around 45 per cent. Also in Eastern Europe, youth labour market integration involves much uncertainty with unemployment rates exceeding 25 per cent, like in Poland and Hungary. If Polish labour market entrants find a job, it is a temporary one in 50 per cent of the cases. In other parts of Europe, youth labour market integration runs more smoothly. Youth unemployment is 'only' 8 per cent in the Netherlands and Switzerland, for instance, and also in other Western and Northern European countries, like Austria, Germany, and Norway, these figures are relatively low and have not risen very sharply in the last decade (OECD, 2012). At the same time, however, the share of temporary work among young people is sometimes quite high in these countries: Both in the Netherlands and Germany, about one in three young workers has a fixed-term job today.

3.1.2 Cyclical and structural explanations for diverging entry patterns across countries

Macro-economic conditions play an important role in explaining differences in youth labour market integration between European countries (Blanchard, 2006; Gangl, 2002; OECD, 2000). For instance, if aggregate unemployment in a country is high, youth unemployment is usually high too. In some countries, however, young people are more likely to be unemployed compared to the rest of the labour force than in other countries. In Italy, for example, young people are almost 3.5 times more likely to be unemployed than older people, while in Germany this ratio is only 1.5 (OECD, 2012). These varying ratios suggest that macro-economic, cyclical conditions alone are not able to explain country differences in youth labour market integration.

Blossfeld, Buchholz, Bukodi, and Kurz (2008) show that structural factors provide an additional explanation for these country differences. By comparing early working life in 11 countries, they demonstrated that economic globalization goes hand in hand with growing labour market insecurities among young people. Other structural factors that matter in school-to-work transitions are youth cohort sizes, the educational level of the labour force, and the occupational structure of the labour market (Gangl, 2002).

3.1.3 The role of national institutional characteristics in explaining cross-country differences

In many studies also the role of national institutional settings is emphasized (Bol & van de Werfhorst, 2013; Breen, 2005; Golsch, 2008; van der Velden & Wolbers, 2003; Wolbers, 2007). With respect to the educational system, these authors investigated the impact of the vocational specificity of upper secondary education on youth labour market integration across countries. They provided convincing evidence for improved youth labour market integration in countries in which clear signals about job seekers' abilities and skills are emitted by vocational education and training. Also the employment system is relevant, particularly employment protection legislation. It is shown that in countries in which incumbent workers are more strongly protected against dismissal, young people face more difficulties with their integration in the labour market.

3.1.4 Educational heterogeneity in the impact of macro-characteristics on youth labour market integration?

Far less attention is paid to possible heterogeneity in the impact of cyclical, structural, and institutional factors on youth labour market integration across Europe. We mention three exceptions. First, Gangl (2002) found that the least qualified labour market entrants are most heavily affected by cyclical changes in macro-economic conditions. Second, de Grip and Wolbers (2006) observed that in occupational labour market (OLM) contexts, low-skilled young workers are worse off with regard to being permanently employed than those in internal labour market (ILM) contexts, as access to secure jobs is much more restrictive for individuals without the required skills in the former contexts. Third, Wolbers (2007) concluded that the impact of two additional institutional features varies considerably by level of education: The negative effect of employment protection legislation on finding a first significant job is stronger among higher educated school-leavers, whereas the vocational specificity of the educational system positively affects the entry speed, but only for lower educated school-leavers.

3.1.5 Research questions and contributions to the literature

In this chapter, we advance on the above-mentioned studies by simultaneously addressing the role of cyclical, structural, and institutional factors in explaining cross-national variation in youth labour market integration. Our research questions are as follows: *To what extent do macro-economic, structural, and institutional characteristics explain differences in youth labour market integration across Europe? To what degree do educational differences exist in the impact of these macro characteristics?* To answer these questions, we use data on young people from 29 European countries who were interviewed in the European Social Survey (ESS) of 2002, 2004, 2006, or 2008 and left day-time education in the period between 1992 and 2008. Together, these countries represent 18,956 young people entering the labour market, distributed over 468 combinations of country and school-leaver cohort. Given this nested data structure, we apply multilevel regression analysis.

We improve upon earlier research in at least four ways. First, the use of ESS data enables to investigate a considerably larger number of countries than was possible ever before. We compare no less than 29 European countries, including Central and Eastern European nations. A recent study on school-to-work transitions emphasized the importance of including these post-socialist countries in comparative research on youth labour market integration (Kogan, Noelke & Gebel, 2011). But more in general, a larger set of countries offers the opportunity to stricter test the formulated hypotheses and to further generalize prior evidence. Second and related to the first point, such a large number of countries allows for including several country characteristics and actually determining the predictive validity of all three macro-level explanations. Although previous research has already focused on these macro-level factors in detail, a simultaneous estimation of the impact of cyclical, structural, and institutional characteristics has not been applied before. Third, the large set of countries enables to estimate cross-level interactions between the various cyclical, structural, and institutional characteristics on the one hand and the individual level of education on the other hand with sufficient statistical power. Fourth, we adopt a more encompassing definition of youth labour market integration as compared to previous studies. Both temporary employment and unemployment are regarded as a lack of labour market integration, compared to a situation of permanent employment. Most previous research, in contrast, concentrated on only one of these two indicators of lacking youth labour market integration. We take account of the fact that temporary employment and unemployment are concurrent alternatives to permanent employment, which need to be studied accordingly.

3.2 THEORY AND HYPOTHESES

3.2.1 Economic climate and youth labour market integration

In the last decades, the economic climate in Europe was not very prosperous, and especially the 2008 economic crisis has resulted in high (youth) unemployment today. Much variation exists, however, between European countries. Recessions cause uncertainty about the product market of firms. In general, employers try to shift their increased market risks to (future) employees. For instance, they invest in a more flexible pool of employees in order to cut costs. This can be reached by creating more temporary instead of permanent employment contracts. Employers' degree of commitment to actual and prospective employees thus declines in economic less prosperous times: It allows them to retain employees when they are needed and to easily dissolve their contracts when they are not. Macro-economic conditions hence determine youth labour market integration to a large extent. More precisely, aggregate unemployment negatively affects the (permanent) employment opportunities of labour market entrants. Accordingly, we expect that as aggregate unemployment is higher, young people are more likely to be in temporary

employment or unemployment as against permanent employment when entering the labour market (H1a).⁷ But why are especially young people affected by economic recessions? One important reason is that they are considered as outsiders in the labour market by firms. Labour market entrants lack work experience, seniority, lobby, and networks, which makes them less attractive for employers compared to the established work force (Bukodi et al., 2008; De Vreyer et al., 2000). Employers are hence reluctant in offering them (permanent) work, especially during economic uncertain times.

In general, many young people experience more difficulties with labour market integration during an economic recession, but there are indications that the magnitude of these risks are not uniformly transferred across employees. Breen (1997) argues that for employers it is very important whether or not it is difficult or impossible to monitor exactly what a worker is doing, in deciding whether or not to offer a long-term employment contract. Highly-skilled jobs are difficult to directly supervise due to the specialized knowledge of the employee holding the job. Compared to lower skilled jobs, such jobs are hence most often rewarded with a long-term employment contract, even in times of macro-economic uncertainty. Highly-skilled jobs require more on-the-job training and, therefore, more investments of the employer in his or her employees compared to lower skilled jobs in which employees can be more easily replaced. As a consequence, it is less advantageous to hire highly educated people for just a short period. Furthermore, the advantages of a long-term commitment of highly skilled employees are substantially larger in times of an economic upturn than the advantages of flexibility in the employment relationship in times of an economic downturn (Breen, 1997, p. 480). As such jobs are only available for those with more education, higher educated labour market entrants are more often protected against the negative consequences of economic decline than lower educated ones.

An additional reason why higher educated young people are in a more advantaged labour market position during economic recession is that they can still choose to accept a lower skilled job, if there are not enough highly skilled jobs available. For lower educated school-leavers, however, it is more difficult or even impossible to accept a job below their educational level. Therefore, they are more likely to be pushed into temporary jobs or even into unemployment. This process is generally referred to as 'crowding-out' (Gesthuizen & Wolbers, 2010; Pollmann-Schult, 2005). Hence, we hypothesize that the positive effect of aggregate unemployment on the likelihood to be in temporary employment or unemployment as against permanent employment particularly applies to lower educated labour market entrants (H1b).

⁷ It is also argued that, during an economic downturn, temporary employees are the first to be fired in order to reduce labour costs. Although this would actually result in fewer temporary employment contracts, this may be especially true for existing employees whose temporary contract might not be extended or repeated during a recession and consequently become unemployed. Labour market entrants, as outsiders, are at the start of their career and are, therefore, not expected to experience the same problem as those in flexible types of employment. Even if the number of temporary jobs would actually decrease during a recession, it is still more likely that young people get employed in temporary jobs instead of in permanent employment.

3.2.2 Economic globalization and youth labour market integration

The economic climate can explain fluctuations over time in the degree to which employers experience economic insecurity and transfer this to (future) workers in terms of employment insecurity, leading to nonlinear trends in youth labour market integration. Structural developments in recent decades, however, predict a continuous increase in economic insecurity, i.e. due to globalization. This process can be divided into four different dimensions: economic, (socio)technological, cultural, and political globalization (Mills & Blossfeld, 2005; see also de Lange et al., 2012 [Chapter 2 in this book]). Each dimension is based on a specific macro process. Economic globalization is often considered as the key dimension of globalization, referring to internationalization of market economies and rising tax competition among welfare states. Especially after the fall of the Iron Curtain in 1989, which reunified the communist 'Eastern bloc' and the capitalist 'West', interaction increased between European countries with diverging wage levels, social standards, and productivity levels. This led to a variety of players in different markets, resulting in growing competition between them. Both corporations and nation states faced new challenges, in particular concerning strong tax competition. Internationalization of markets thus implies a decline of national borders: Countries started worldwide cooperation and agreed on developing common laws, institutions, or practices, making it easier and cheaper to cross borders with commodities, labour, services, and capital. Increasing global competition provides opportunities for corporations to capture a powerful position in the world economy, but also leads to more insecurity among employers, because of the need to rapidly adjust prizes of goods and services to fluctuations in supply and demand. This also requires a flexible workforce. Employers have responded to these developments by starting to offer more nonstandard employment contracts, like temporary jobs (Kalleberg, 2009), especially to labour market entrants, as they lack relevant work experience and have to compete with the more established workforce. Accordingly, we hypothesize that as economic globalization is higher, young people are more likely to be in temporary employment or unemployment as against permanent employment when entering the labour market (H2a).

Again, it can be expected that increasing uncertainty resulting from globalization does not strike all individuals in modern societies to the same extent (Kalleberg, 2009). As indicated above, young workers in highly skilled jobs are hard to submit to direct supervision and hence most often rewarded with a long-term employment contract, even in times of economic decline. In addition, higher educated young workers crowd out lower educated ones in times of high aggregate unemployment by accepting a job below their actual obtained level of education. Both processes can explain why higher educated are expected to be less affected by employment insecurity resulting from globalization. There is, however, a third explanation. The fact that companies became globally competitive and market economies increasingly internationalized was made possible by technological advancements, such as the introduction of microcomputers and the

Internet (Kalleberg, 2009). Thanks to these new ICTs and modern mass media, the diffusion of information and knowledge is hardly delayed or restricted by time or space (Castells, 1996a). This technological innovation led to changes in the work process, i.e. a growing need for knowledge-intensive work (Berman et al., 1998). This 'upgrading' of the labour market structure involved a favour for higher over lower skilled workers, also known as 'skill-biased technological change' (Katz & Autor, 1999). The implication of this process is that the number of highly-skilled jobs significantly increased, while jobs for low- or unskilled people more and more disappeared or got outsourced to low wage countries, making lower educated people more vulnerable for temporary employment or unemployment. In sum, all these arguments lead us to expect that the positive effect of economic globalization on the likelihood to be in temporary employment or unemployment as against permanent employment particularly applies to lower educated labour market entrants (H2b).

3.2.3 Vocational specificity of the educational system and youth labour market integration

Previous research revealed that the organization and set-up of the educational system in a country affects the labour market entry process of young people (see, for instance, Müller & Gangl, 2003). An important aspect is the institutional linkage between education and the labour market. Countries can be classified into a 'qualificational' or an 'organizational' space (Maurice & Sellier, 1979). This division is based on the way theoretical learning is combined with practical work experience within national educational systems. In countries with a system of organizational space, the educational programme is rather general or academic. Specific occupational skills are not learned in education but mainly on the job. This implies that the link between education and the workplace is quite weak in these countries and employers are not very familiar with the knowledge and skills acquired by graduates. Conversely, in countries with a system of qualificational space, occupation-specific skills are actually taught in education, through vocational education. School-leavers in such countries are better prepared for practising particular professions and require little training costs, making them attractive for employers (Blossfeld, 1992). They are well acquainted with the knowledge and skills school-leavers possess, which are revealed by their acquired diplomas and certificates. So, in countries with such an educational system, the link between education and the workplace is quite strong and diplomas and certificates occupy an important place in the hiring process (Mills & Blossfeld, 2005; Wolbers, 2007).

Differences exist, however, in the way the close linkage between education and the labour market is institutionalized. Vocational education can be mainly organized through theoretical training in vocational schools (like the Netherlands), practical training on-the-job (like Ireland), or a combination of both, known as the dual system (like Germany). The latter offers advantages in the allocation process for both employers and

future employees: Employers can screen potential workers at an early stage, which enables to teach them firm-specific knowledge and skills (Wolbers, 2007). For future employees, an apprenticeship gives them the opportunity to get acquainted with a specific firm and its employees, and their work experience within this firm most likely increases their chances to get (permanently) hired in this firm after completing the vocational education programme. In brief, we predict that as the educational system is more vocationally specific, young people are less likely to be in temporary employment or unemployment as against permanent employment when entering the labour market (H3a).

The increased importance attached to diplomas and certificates in countries with more specific vocational education leads to the expectation that labour market opportunities are especially favourable for intermediate educated school-leavers, who actually possess these vocational education diplomas and should thus possess the required knowledge and skills that employers reward with qualified positions (de Grip & Wolbers, 2006; Wolbers, 2007). Stated differently: Lower educated school-leavers are worse off regarding labour market integration in countries in which diplomas have a high signalling function. This does, however, not directly explain why the degrees of higher educated people are also better rewarded in countries with a vocationally-specific educational system. It is argued that in these countries the tertiary education sector is usually smaller, as education is less so a positional good than in countries with a general educational system, where it is rational for individuals to attain more and more education, thereby triggering educational expansion at the macro-level. Consequently, tertiary education in countries with a vocationally-specific educational system is more exclusive, which would benefit the labour market chances of graduates. So, both intermediate and higher educated young people face better labour market opportunities in countries with more specific vocational education, while lower educated ones are likely to experience even more difficulties in finding a stable job, as access to jobs in these countries is much more restrictive for individuals without the required skills (de Grip & Wolbers, 2006). It is hence hypothesized that the negative effect of the vocational specificity of the educational system on the likelihood to be in temporary employment or unemployment as against permanent employment particularly applies to intermediate and higher educated labour market entrants (H3b).

3.2.4 Employment protection legislation and youth labour market integration

Institutional characteristics regarding the employment system can also explain cross-national variation in youth labour market integration. Labour market regulation, in particular, is a relevant feature in this respect. According to the insider-outsider theory, labour market participants can be divided into 'insiders' and 'outsiders' (Lindbeck & Snower, 1988). The group of insiders consists of employed workers, who are established in the labour market, while the outsiders refer to the group of unemployed people. Labour

market entrants can be regarded as a specific group of outsiders, lacking work experience and having to compete for available jobs with the established workforce (De Vreyer et al., 2000). The latter possess a powerful position in the labour market: Labour unions represent the interests of insiders in negotiating with employers for higher wages and better working conditions. Outsiders are not engaged in these negotiations and do not see their interests represented. Apart from wage bargaining, insiders negotiate on employment protection. They try to improve their legal employment position by embedding a number of employment conditions (terms of notice, severance pay, seniority, et cetera) more strongly in the law and/or collective labour agreements (Wolbers, 2007). For outsiders, the result of strengthening the legal position of the established workforce is usually that they end up being trapped in (long-term) unemployment or in an unstable labour market position in which episodes of unemployment alternate with temporary jobs. From this point of view, legislation that protects employment of incumbent workers undermines the opportunities of labour market entrants to obtain secure employment. As European countries vary in the strictness of employment protection legislation (EPL) (OECD, 1999), cross-national differences in the smoothness of school-to-work transitions can be expected. We predict that as employment protection legislation is stricter, young people are more likely to be in temporary employment or unemployment as against permanent employment when entering the labour market (H4a).

Also with regard to employment protection legislation, educational heterogeneity in the impact on youth labour market integration is expected. Higher educated people more often find themselves in the primary labour market segment, where negotiations between labour unions and employers actually take place and employment contracts of insiders are hence more strongly protected (Lindbeck & Snower, 1988). Labour turnover costs are high within this labour market segment and, consequently, employees are more costly to dismiss. Lower educated people find themselves more often in the secondary labour market segment that is less regulated and where employment contracts are less protected from dismissal. Accordingly, we predict that the positive effect of employment protection legislation on the likelihood to be in temporary employment or unemployment as against permanent employment particularly applies to higher educated labour market entrants (H4b).

3.3 DATA AND MEASUREMENTS

3.3.1 Data and analytical sample

For the empirical analysis, we used European Social Survey (ESS) data (Cumulative File Rounds 1-4), collected in 2002, 2004, 2006, and 2008, covering 29 countries in Europe, i.e. Austria (AT), Belgium (BE), Bulgaria (BG), Cyprus (CY), Czech Republic (CZ), Denmark (DK), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (GR), Hungary (HU), Ireland (IE),

Israel (IL), Italy (IT), Luxembourg (LU), the Netherlands (NL), Norway (NO), Poland (PL), Portugal (PT), Russian Federation (RU), Slovakia (SK), Slovenia (SI), Spain (ES), Sweden (SE), Switzerland (CH), Turkey (TR), Ukraine (UA), and the United Kingdom (GB) (Jowell et al. 2003, 2005, 2007, 2009). In these countries, all persons aged 15 and over, resident within private households, regardless of nationality, citizenship, language, or legal status belonged to the target population. The ESS is an academically-driven survey and includes a wide range of questions covering essential topics in this chapter, i.e. with regard to education and labour market participation. Due to its high cross-national comparability of measurements, ESS data are particularly appropriate for country comparisons. In all countries, equivalent probability samplings have been applied.

Given the focus on labour market entrants, we restricted our analysis to respondents who left education within the 10 years period prior to the moment of interview, at an age of minimally 15 and maximally 34 years old. Respondents who indicated to be in education as their main activity in the last seven days before the interview or who were inactive (i.e. unemployed but not looking for a job, sick/disabled, retired, in community or military service, or housewife) are excluded from the analysis. Year of leaving education is calculated on the basis of the actual time in years spent in education, as reported by individuals in the ESS. As we analyse data from 2002 to 2008, we study labour market entrants in the period between 1992 and 2008. After list-wise deletion of cases with missing information on any of the variables included in the multilevel analysis, the analytical sample contains 18,956 respondents. These individual-level data (level 1) have been enriched with contextual information at the higher level of analysis, i.e. combinations of country and school-leaver cohort (level 2), containing 468 units in total.⁸

3.3.2 Dependent variable

Labour market integration is measured by a categorical variable, distinguishing between permanent employment, temporary employment, and unemployment. Respondents were asked if they had an employment contract of unlimited or limited duration in their current job. This information was used to determine the type of contract (permanent or temporary) of currently employed respondents. Respondents who were not working and actively looking for a job in the last seven days are classified as unemployed. In the total analytical sample, 61 per cent of the respondents have a permanent job, 28 per cent a temporary job, and 11 per cent are unemployed (on average, over the period 2002-2008). Within countries, this distribution differs substantially, as Figure 3.1 shows. It appears, for instance, that in Turkey less than 35 per cent has a permanent job, while the rest was unemployed or had a temporary job. In Estonia, only 20 per cent was unemployed or

⁸ Combinations of country and school-leaver cohort (instead of country) are used as the second level of analysis in order to obtain more statistical power to test our hypotheses and to allow for within country between time variation. Due to convergence problems, we do not present models with three levels of analysis (i.e. individuals [level 1] nested in countries and school-leaver cohorts [level 2] nested in countries [level 3]).

temporarily employed in the observed period, whereas 80 per cent had a permanent job. In the multilevel analysis, both temporary employment and unemployment are regarded as a lack of labour market integration, compared to the situation of permanent employment.

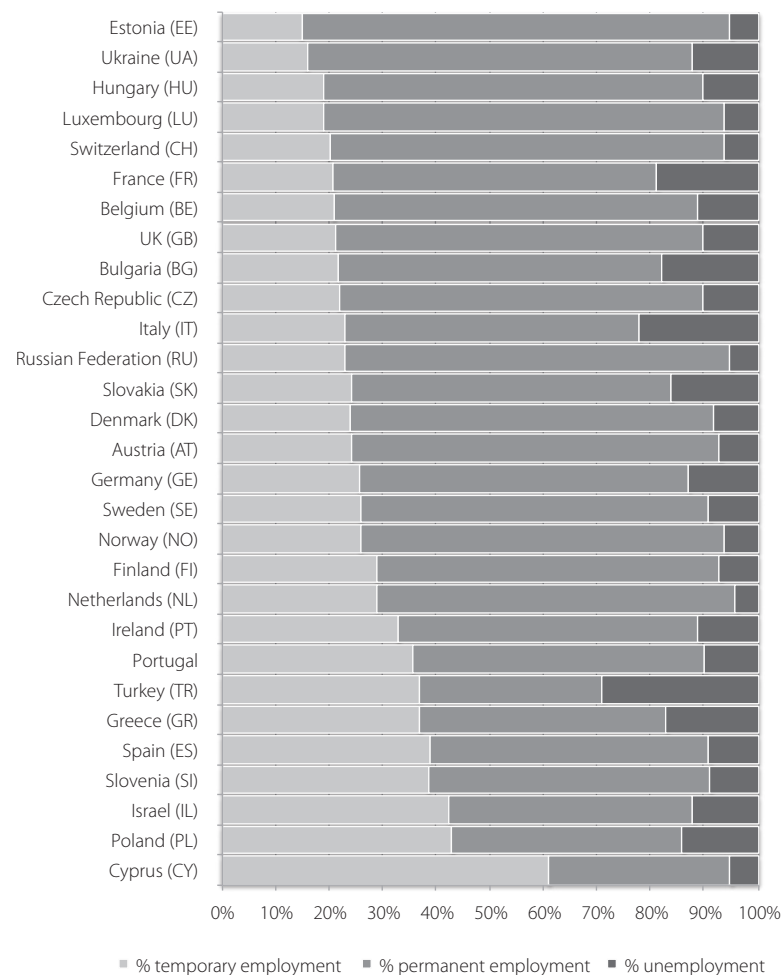


Figure 3.1 Labour market integration of young people by country.

Source: ESS (2002-2008).

3.3.3 Independent variables

Educational level is based on information regarding the highest level of education achieved. Respondents with lower education have maximally lower secondary education completed (ISCED 0, 1, or 2) (12 per cent). Intermediate education refers to respondents who completed upper secondary education or post-secondary non-tertiary education (ISCED 3 or 4) (45 per cent). Finally, a higher level of education is reached after completing tertiary education (ISCED 5 or 6) (43 per cent).

The micro-level data have been enriched with cyclical, structural, and institutional characteristics at the higher level, i.e. the combinations of country and school-leaver cohorts. The values on these contextual characteristics have been rescaled into values ranging between 0 and 1 and mean-centred at the macro-level, before using them in the multilevel analysis. As a cyclical factor, we added the *aggregate unemployment rate* (persons aged 15 years and over) as provided by the International Labour Organization (ILO), based on Labour Force Survey data.⁹ For Luxembourg, the unemployment rates concern registered unemployment rates based on employment office records. Original aggregate unemployment ranges from 1.6 per cent (Luxembourg, 1992) to 24.1 per cent (Spain, 1994).

Level of economic globalization, as a structural factor, is measured by the economic dimension of the KOF Index of Globalization (Dreher, 2006). This index includes two dimensions. First, it refers to actual economic flows, which are usually taken as an indicator of globalization. This dimension includes data on trade, foreign direct investment (FDI), portfolio investment, and income payments to foreign nationals. Second, economic globalization includes proxies for restrictions to trade and capital, which actually indicate the absence of globalization. More specifically, this dimension refers to restrictions on trade and capital using hidden import barriers, mean tariff rates, taxes on international trade (as a share of current revenue), and an index of capital controls. The scale measuring economic globalization includes weights of all these indicators and is transformed into an index ranging from 1 to 100, where a higher value refers to a higher level of economic globalization (Dreher, 2006). We added the values of economic globalization between

⁹ To measure cyclical developments, GDP instead of aggregate unemployment could have been used, although we believe that GDP is more an indicator of a country's general prosperity level than a measurement of macro-economic fluctuations. However, it turned out that this variable strongly correlates with the measurement of economic globalization, leading to problems of multicollinearity if analysed simultaneously. Also, we did not use adult unemployment. The reason is that in studying the impact of cyclical fluctuations we aim to include the full macro-economic context, which also includes youth unemployment. Although it is very likely that aggregate unemployment positively affects the individual risk of unemployment, we do not regard this as tautological. First of all, our measure of unemployment is not aggregated from the ESS data itself, but originates from an external source. Second, there is a time lag between aggregate unemployment and the individual unemployment chance. The former is measured at the moment of school-leaving, whereas the latter refers to a time point somewhere between leaving education and the moment of interview (maximally 10 years after school-leaving). Third, our dependent variable does not measure the likelihood of being unemployed (versus employed) strictly spoken, but indicates the contrast between unemployment or temporary employment and permanent employment.

1992 and 2008 for every country to the individual level data. The assigned values originally range from 36.96 (Russian Federation, 1996) to 98.87 (Luxemburg, 2004).

Finally, we added two institutional factors. These macro characteristics differ less strongly over time (within countries) than the cyclical and structural factors. Information on the closest year available is used as a proxy in case information on a particular year was missing. With regard to the *vocational specificity of the educational system*, we included the share of upper secondary education students in combined school and work-based vocational and technical programmes in the total of upper secondary students in all educational programmes per country in a particular year, as provided by the OECD. The original values vary from 0 to 59 per cent (for instance, for Greece and Italy versus Czech Republic). *Labour market regulation* is defined as the overall strictness of employment protection legislation (EPL) in a country, also provided by the OECD (Venn, 2009).¹⁰ This summary indicator refers to the difficulty to dismiss employees on regular contracts and to the strictness of protection with regard to temporary employment.¹¹ The original variable ranges from 0.60 (for the United Kingdom) to 3.85 (for Portugal).

3.3.4 Control variables

We control our models for several characteristics. *Sex* of the respondent is included by distinguishing men and women. *Ethnicity* is measured as a dummy variable referring to natives and non-natives, based on information regarding the birth country of the respondent's parents. If one or both parents were born outside the country in which the survey was held, the respondent is considered as non-native. *Field of education* is defined as a categorical variable distinguishing between general, technical, economical, and

¹⁰ From Cazes and Nesporova (2003), we used EPL measures for Bulgaria and Slovenia (1992-2000). For 2001-2004, measures for these countries are provided by Tonin (2009). From Muravyev (2010), we use EPL measures for Estonia, the Russian Federation, and the Ukraine (1992-2008). For Israel and Luxemburg, OECD EPL measures for 2008 are used for the period 1992-2007. Finally, for Cyprus, the average of the OECD EPL measures for Greece and Turkey (1992-2008) is used.

¹¹ Some authors point towards a possible heterogeneous effect of these two sub indicators of EPL on the incidence of temporary employment (Baranowska & Gebel, 2010; Noelke, 2011). They argue that strict regulation of permanent contracts creates incentives for the use of temporary contracts, while strict regulation of temporary contracts prevents employers from using such contracts. Lowering regulation on temporary employment, conversely, may lead to job creation, substitution of permanent workers by temporary workers, and traps of repeated temporary employment. However, this mainly induces temporary employment among the established workforce, but not necessarily among labour market entrants, in our view. Stricter regulation of temporary contracts would create fewer jobs, which may leave labour market entrants in unemployment instead of in temporary jobs; it may lead to less substitution of permanently employed workers by temporarily employed workers, which strengthens the dichotomy between insiders (the established workforce) and outsiders (labour market entrants) in the labour market; and, finally, it may lead to fewer repeated temporary jobs among employees, which does not improve labour market entrants' prospects on a permanent job either. In brief, we expect that stricter EPL on temporary employment, just like EPL on permanent employment, reduces labour market entrants' integration possibilities. The overall EPL indicator is therefore a powerful and parsimonious measurement of labour market regulation.

cultural education.¹² Finally, *duration since labour market entry* is included, ranging from 0 to 10 years.

An overview of all variables included in the analysis is presented in Table 3.1.

Table 3.1 Descriptive statistics of the dependent and independent variables.

	N	Distribution	Range	Mean	Std. Dev.
<i>Dependent variable</i>					
Employment situation	18,956				
Permanent employment		62%			
Temporary employment		28%			
Unemployment		10%			
<i>Independent variables (level 1)</i>					
Sex	18,956				
Man			0/1	0.52	
Woman			0/1	0.48	
Ethnicity	18,956				
Native			0/1	0.84	
Non-native			0/1	0.16	
Field of education	18,956				
General			0/1	0.14	
Technical			0/1	0.28	
Economical			0/1	0.12	
Cultural			0/1	0.21	
Unknown			0/1	0.25	
Level of education	18,956				
Low			0/1	0.12	
Intermediate			0/1	0.45	
High			0/1	0.43	
<i>Independent variables (level 2)</i>					
Unemployment rate	468		1.60 - 24.10	8.12	3.93
Economic globalization	468		36.96 - 98.87	76.41	13.24
% Vocational education	468		0.00 - 59.00	15.36	17.58
EPL	468		0.60 - 3.85	2.30	0.84

Source: European Social Survey (2002-2008).

¹² In 2002, information on field of study was not included in the ESS data. An additional dummy is therefore included in the models to indicate this.

3.4 RESULTS

3.4.1 Descriptive analysis

Before turning to the multivariate analysis, in which the influence of cyclical, structural, and institutional factors on young people's labour market integration is examined simultaneously, we first show the bivariate relationship between each macro factor and the share of both temporary employment and unemployment in Figure 3.2. Over the period 2002-2008, the value on each of the four macro characteristics is compared to the share of temporary employment and the share of unemployment among labour market entrants within each country. We can conclude from this figure that, on average, in countries with a higher unemployment rate, the share of temporary employment increases, but especially the share of unemployed youth is higher, which is not surprising. However, with regard to the level of economic globalization, the results are unexpected: In countries that are highly (economically) globalized, both the share of temporary employment and unemployment appear to be rather low. Conversely, in less globalized countries, the stock of young people in a precarious labour market situation seems to be higher. These bivariate results point towards the existence of a negative relationship between the level of economic globalization and the share of youth in temporary employment and unemployment across countries.

Regarding the two institutional factors, the findings in Figure 3.2 seem to corroborate our expectations. First, in countries in which the educational system is more vocational specific, school-to-work transitions seem to be more smooth, as the number of labour market entrants in temporary employment or unemployment is relatively low in these countries. At the same time, in countries without vocational education or in countries that are less vocationally specific, the share of students in temporary employment and unemployment is relatively high. These results suggest a negative relationship between the vocational specificity of a country's educational system and the likelihood to experience difficulties in labour market integration. Second, Figure 3.2 shows that in countries in which employment of insiders in the labour market is less strongly protected a relatively small share of young people has a temporary job or is unemployed. As employment protection legislation is stricter, the share of young people in such precarious situations seems to grow, suggesting a positive relationship between EPL and experiencing difficulties in labour market integration.

3.4.2 Multivariate analysis

The observed relationships in Figure 3.2 are further investigated by means of multivariate analysis. Table 3.2 presents the results of the multilevel multinomial logistic regression models of labour market entry in Europe. Six models were estimated in which we compared both temporary employment and unemployment to permanent employment. In the first model, the effects of the macro characteristics were estimated, as well as the

impact of level of education, accounted for all other variables. Based on the results of this model, hypotheses 1a, 2a, 3a, and 4a are tested. In each subsequent model, statistical interaction terms are included between one of the macro characteristics and level of education (Models 2 to 5) to test hypotheses 1b, 2b, 3b, and 4b. In the final model, all interactions are estimated simultaneously (Model 6). An additional table presenting the results of the multilevel multinomial logistic regression analysis on temporary employment versus unemployment is provided in the Appendix (Table A2).

Model 1 shows that as aggregate unemployment is higher, the likelihood of labour market entrants to be in temporary employment ($b=0.316$) or unemployment ($b=1.001$) compared to permanent employment is larger, supporting hypothesis 1a. The coefficients of the interaction between aggregate unemployment and level of education in Model 2 demonstrate that the effect of aggregate unemployment on the likelihood of temporary employment is larger for intermediate educated labour market entrants than for lower educated ones, but no educational differences are observed with regard to the likelihood of unemployment. These findings do not corroborate hypothesis 1b.

Hypothesis 2a, regarding the effect of economic globalization, is tested in Model 1. Economic globalization appears to reduce the likelihood of temporary employment ($b=-0.341$) and unemployment ($b=-1.131$) as compared to permanent employment. So, youth labour market integration improves as economic globalization further develops. This is against the prediction as formulated in hypothesis 2a. From Model 3, we derive that the effect of globalization on temporary employment particularly applies to intermediate educated labour market entrants ($b=-0.900$), and that the effect on unemployment is less strong for higher educated entrants ($b=-0.457$). This implies that hypothesis 2b is not supported.

The hypotheses on the impact of the vocational specificity of the educational system are tested in Models 1 and 4. Model 1 displays that the more vocationally specific the educational system is, the less likely young people are temporarily employed ($b=-0.635$) or unemployed ($b=-0.422$). These results are in line with hypothesis 3a. Additionally, the results in Model 4 support the hypothesis that particularly intermediately and highly educated young people experience less difficulties when entering the labour market if the educational system is more vocationally specific (hypothesis 3b). In fact, Model 4 even shows a positive effect of the vocational specificity of the educational system on the likelihood of temporary employment for the least qualified, implying that they are disadvantaged by an educational system that puts more emphasis on vocational training. In Models 1 and 5 the hypotheses concerning the impact of employment protection legislation are tested. From Model 1, it can be concluded that young people are more likely to have a temporary job ($b=0.396$) or to be unemployed ($b=0.291$) if EPL is stricter, as predicted by hypothesis 4a. Only with regard to the likelihood of unemployment, educational heterogeneity exists in the effect of EPL: Higher educated labour market entrants in particular have difficulties with finding a job due to strict employment

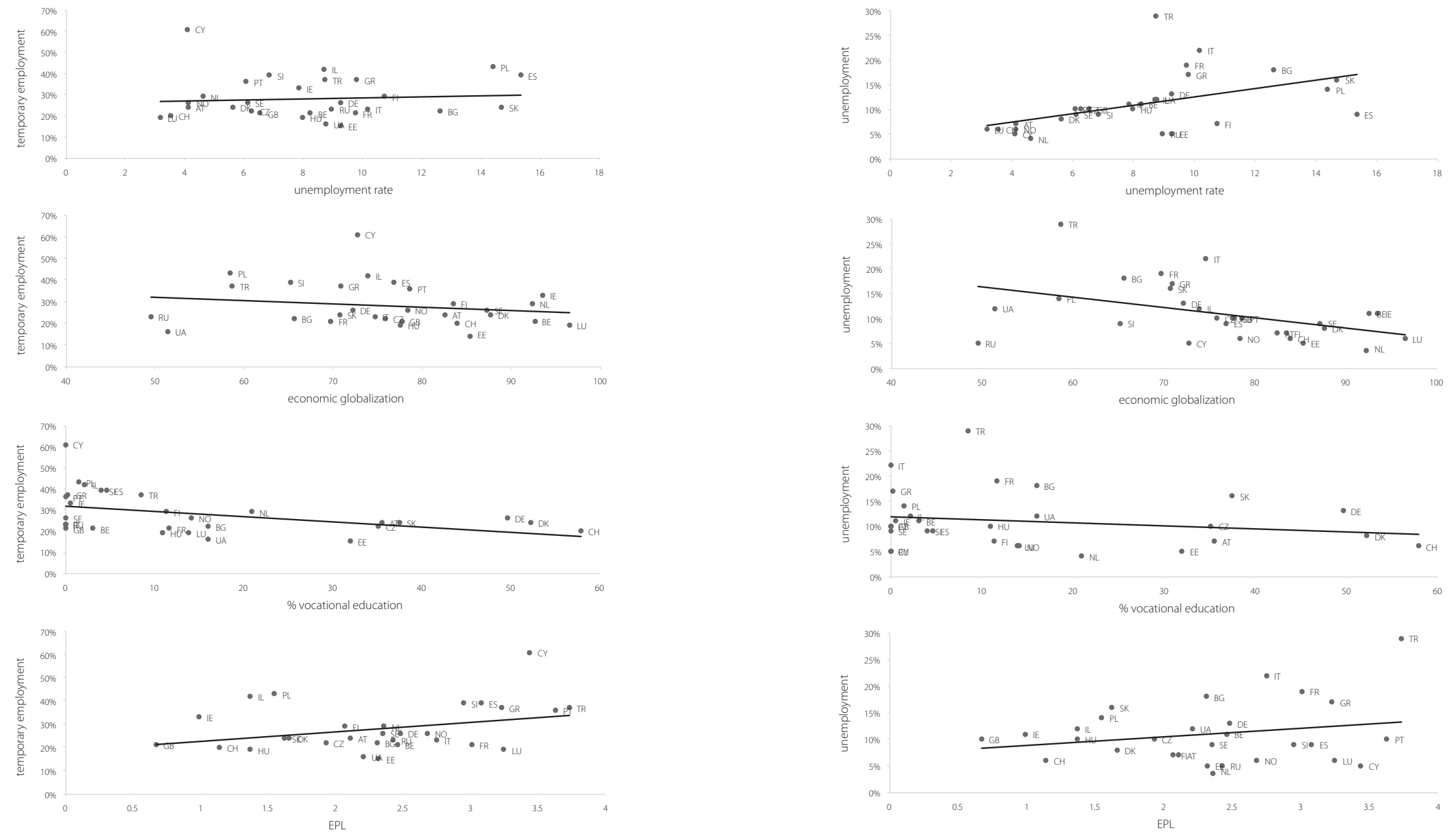


Figure 3.2 Share of temporary employment and unemployment among labour market entrants by cyclical, structural, and institutional characteristics in 29 countries.

Table 3.2 Multilevel multinomial logistic regression of labour market integration in Europe: unstandardized coefficients ($N_{\text{respondents}} = 18,956$; $N_{\text{country-year-of-schoolleaving-combinations}} = 468$).

	Temporary versus permanent employment							Unemployment versus permanent employment					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6		Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Intercept	0.858**	0.858**	0.849**	0.850**	0.856**	0.849**	Intercept	0.254**	0.253*	0.274**	0.254*	0.241*	0.276**
Duration since labour market entry (in years)	-0.167**	-0.168**	-0.170**	-0.165**	-0.168**	-0.167**	Duration since labour market entry (in years)	-0.179**	-0.179**	-0.182**	-0.178**	-0.177**	-0.180**
Sex							Sex						
Man	ref.	ref.	ref.	ref.	ref.	ref.	Man	ref.	ref.	ref.	ref.	ref.	ref.
Woman	0.148**	0.148**	0.145**	0.151**	0.148**	0.149**	Woman	0.155**	0.156**	0.152**	0.158**	0.156**	0.155**
Ethnicity							Ethnicity						
Native	ref.	ref.	ref.	ref.	ref.	ref.	Native	ref.	ref.	ref.	ref.	ref.	ref.
Non-native	0.185**	0.186**	0.190**	0.173**	0.185**	0.178**	Non-native	0.344**	0.344**	0.351**	0.339**	0.356**	0.362**
Field of education							Field of education						
General	ref.	ref.	ref.	ref.	ref.	ref.	General	ref.	ref.	ref.	ref.	ref.	ref.
Technical	-0.296**	-0.296**	-0.291**	-0.302**	-0.302**	-0.295**	Technical	-0.307**	-0.307**	-0.297**	-0.309**	-0.328**	-0.321**
Economical	-0.560**	-0.559**	-0.553**	-0.562**	-0.566**	-0.554**	Economical	-0.352**	-0.348**	-0.339**	-0.354**	-0.376**	-0.366**
Cultural	-0.207**	-0.203**	-0.202**	-0.216**	-0.213**	-0.207**	Cultural	-0.247**	-0.239*	-0.236*	-0.250**	-0.275**	-0.268**
Level of education							Level of education						
Low	ref.	ref.	ref.	ref.	ref.	ref.	Low	ref.	ref.	ref.	ref.	ref.	ref.
Intermediate	-0.605**	-0.608**	-0.572**	-0.597**	-0.596**	-0.581**	Intermediate	-0.929**	-0.939**	-0.931**	-0.925**	-0.913**	-0.933**
High	-0.829**	-0.829**	-0.819**	-0.819**	-0.820**	-0.822**	High	-1.653**	-1.648**	-1.663**	-1.660**	-1.623**	-1.649**
Unemployment rate	0.316~	0.185	0.301~	0.346~	0.328~	0.744*	Unemployment rate	1.001**	0.987*	0.965**	1.001**	1.002**	1.203**
Economic globalization	-0.341*	-0.341*	-0.040	-0.323*	-0.336*	-0.188	Economic globalization	-1.131**	-1.136**	-1.233**	-1.130**	-1.106**	-1.415**
% Vocational education	-0.635**	-0.633**	-0.632**	0.574**	-0.629**	0.619**	% Vocational education	-0.422**	-0.418**	-0.413**	0.159	-0.430**	0.170
EPL	0.396**	0.410**	0.413**	0.386**	0.204	0.393~	EPL	0.291~	0.309*	0.311*	0.278~	-0.014	-0.014
Unemployment rate*Intermediate		0.528~				-0.306	Unemployment rate*Intermediate		0.412				-0.082
Unemployment rate*High		-0.311				-0.680~	Unemployment rate*High		-0.740				-0.631
Economic globalization*Intermediate			-0.860*			-0.583	Economic globalization*Intermediate			-0.436			-0.211
Economic globalization*High			0.122			0.209	Economic globalization*High			0.776~			1.045*
% Vocational education*Intermediate				-1.613**		-1.619**	% Vocational education*Intermediate				-0.683**		-0.675**
% Vocational education*High				-1.147**		-1.255**	% Vocational education*High				-0.604*		-0.631*
EPL*Intermediate					0.294	-0.077	EPL*Intermediate					0.101	0.003
EPL*High					0.164	0.059	EPL*High					0.841**	1.023**
Variance	0.227**	0.224**	0.215**	0.219**	0.229**	0.207**	Variance	0.303**	0.300**	0.288**	0.302**	0.303**	0.286**

** p<0.01; * p<0.05; ~ p<0.10 (two-tailed test). Coefficient of 'field of education unknown' not shown.

Source: European Social Survey (2002-2008).

protection of the established workforce. This finding is in line with hypothesis 4b, although we do not find the same result for temporary employment.

In Model 6, all interaction terms are simultaneously estimated in order to check the robustness of our findings. Based on the results of this full model, small differences are observed, especially concerning the likelihood of temporary employment. Model 6 shows that the positive interaction between aggregate unemployment and intermediate education is no longer significant, whereas the negative interaction between aggregate unemployment and higher education turns significant. This implies that the positive effect of aggregate unemployment on temporary employment particularly pertains to lower and intermediate educated labour market entrants, and that highly educated entrants are more or less protected from this type of employment during an economic recession. These findings are more in accordance with hypothesis 1b than the results shown in Model 2. Furthermore, the negative interaction between economic globalization and intermediate education turns insignificant in Model 6. Apparently, the negative effect of economic globalization does not vary among young people with different educational levels if controlled for the other interactions terms.

3.5 CONCLUSION AND DISCUSSION

We can conclude from the empirical results that the labour market integration of young people in Europe is indeed systematically structured by cyclical, structural, and institutional characteristics. With regard to the business cycle, our findings imply that as aggregate unemployment is higher, youth labour market integration runs less smoothly, i.e. youth are more often in temporary employment or unemployment instead of in permanent employment. In addition, we have indications that higher educated labour market entrants are less vulnerable for temporary employment during an economic recession than lower educated. This supports the idea that employers transfer labour market insecurities mainly to lowly skilled employees, who can be more easily submitted to direct supervision and replaced by new workers than highly skilled employees.

As a structural factor, the impact of economic globalization was investigated. This factor appeared to improve youths' labour market integration by reducing the likelihood of temporary employment and unemployment. It was, however, expected that higher levels of economic globalization lead to growing global competition between firms and increasing insecurity among employers. This, in turn, would make them seek for more flexible employment relationships, especially among lower educated young workers. Our findings suggest the opposite result, i.e. that youth labour market integration runs more smoothly in more globalized contexts. Reflecting on this rather unexpected finding makes this result perhaps less puzzling. Golsch (2008) argues that economic flows, referring to flows of trade, foreign direct investment, and portfolio investment, as well as

income payments to foreign nationals, constitute one of the two dimensions of economic globalization and reflect how well a national economy flourishes and is integrated in global economic exchange (Golsch, 2008, p. 32). Explained this way, economic globalization is hence expected to positively influence youth labour market integration. Moreover, it can be argued that increasing ICTs, as part of the globalization process, particularly benefit youth, as they can more easily adapt to and are better trained in new technologies. Finally, globalization leads to more competition and privatization and might destroy existing monopolies. This implies that the number of different actors in the market could increase and the level of employment too, accordingly. These positive globalization effects on employment opportunities could, however, be mainly expected among higher educated youth, whose jobs will not be outsourced to foreign countries as is the case with low-skilled jobs.

Finally, the role of institutional characteristics in explaining cross-national variation in youth labour market integration was studied. With regard to the educational system our findings are clear: As vocational education is more specific, youth labour market integration involves fewer difficulties, i.e. in terms of a lower likelihood of temporary employment and unemployment. In general, the link between the knowledge and skills acquired through education and their benefits in the labour market are stronger when the educational system is more vocationally specific. Employers have better understandings of the capacities of school-leavers in such systems, which is rewarded by offering more stable employment contracts already at labour market entry. It should be added, however, that these benefits only pertain to youth actually possessing such diplomas: Young people with lower education face relatively more difficulties with finding permanent employment when diplomas provide clear signals to employers about the knowledge and skills of prospective employees.

Another institutional factor that matters is the strictness of employment protection legislation. The results suggest that in countries in which the distinction between insiders and outsiders in the labour market is more pronounced, youth experience more difficulties in labour market integration. In such countries, employment of incumbent workers is more strongly protected, reducing the possibilities of young people to find a stable job when entering the labour market. Higher levels of unemployment and temporary employment among labour market entrants are the result, particularly among higher educated (as regards the likelihood of unemployment). This is understandable, as highly skilled jobs in particular are located in more regulated labour market segments where hiring and firing costs are higher.

Given that school-to-work transitions involve much uncertainty and turbulence in Europe today, the conclusions of this chapter are very welcome for policy makers at both the national and European level to combat high youth unemployment. Although there is no one-size-fits-all solution, the results at least indicate that the problems young people face when entering the labour market can be reduced, apart from creating a well functioning

economy, by reshaping the educational system and existing employment relations between insiders and outsiders in the labour market. First of all, it seems beneficial to strengthen the link between education and the workplace, particularly by introducing more vocationally oriented education. Often employers prefer a well-trained apprentice to a graduate with an unsuitable degree. Countries with an elaborated dual system, in which on-the-job training in a company is combined with theoretical instruction at school, tend to have lower temporary employment and unemployment rates. Germany, Austria, and the Netherlands are good examples. These dual systems make it easier for young people to move from education into the world of work. They are also a good feedback mechanism to show school-leavers what companies need and want. Second, employment protection legislation of the established workforce seems to constrain employment opportunities for young people, leading to a prolonged absorption of labour market entrants and, consequently, higher unemployment and temporary employment among them. So, by loosening employment protection, youth labour market integration is likely to be improved. This prevents the emergence of a 'lost generation' of young people, for whom the current economic crisis may have detrimental effects in their further life, not only in terms of future employment opportunities, but also on such aspects as family formation and social participation.

4

Employment flexibility among young couples in the Netherlands¹³

¹³ A slightly different version of this chapter has been published in *European Sociological Review* (de Lange, Wolbers & Ultee, 2013). An earlier version of this chapter was presented at the 'Dag van de Sociologie' of the Dutch and Flemish Sociology Association in Groningen, the Netherlands, June 2010, at the TransEurope Young Researcher Meeting in Turin, Italy, June 2010, at the BSA Work, Employment and Society Conference in Brighton, UK, September 2010, and at the ECSR, QMSS2 and TransEurope Conference 'Analysing Education, Family, Work and Welfare in Modern Societies: Methodological Approaches and Empirical Evidence' in Bamberg, Germany, October 2010 (presentation by Maarten H. J. Wolbers).

ABSTRACT

The trend towards labour market flexibilization in advanced economies since the 1990s is associated with more employment insecurity. This study examines to what extent employment flexibility among young people in the Netherlands is related to employment flexibility or unemployment of the partner between 1992 and 2007. In addition, we aim to explain this relationship. Multinomial logistic regression models are estimated using 16 cross-sections of the Dutch Labour Force Survey (1992-2007), including 87,204 young couples. The results show that there is a positive relationship between precarious types of employment of two partners and that this can be explained by the mechanism of assortative mating (i.e. people select partners that are alike with respect to characteristics like education, age, and ethnicity, and these characteristics relate at the individual level with employment situation) and through partner effects (i.e. partners can be considered as providers of skills, knowledge, and network resources that add up to one's own labour market resources one has access to). The concentration of precarious types of employment among young couples induces social inequalities between households, as such households experience much labour market insecurity compared to households consisting of two partners with a permanent job.

4.1 INTRODUCTION

4.1.1 Labour market flexibilization in the Netherlands: A 'Dutch Miracle'?

In the Netherlands, the last two decades of the 20th century are characterized by a strong economic upturn, also known as the transition from 'Dutch Disease' to 'Dutch Miracle' (Visser & Hemerijck, 1997). While the late 1970s reflect a period of high levels of unemployment, especially among youth, next to massive transfer payments and a growing budgetary deficit induced by institutional sclerosis and political stagnation, the Dutch economy started to develop remarkably strongly halfway the 1980s and especially during the mid-1990s (Woldendorp, 2005). Although this economic revival coincides with a strong growth in employment, an important part of it concerned an increase in the number of temporary employment, also referred to as a rise in flexible employment relations (Delsen & de Jong, 1997). Temporary jobs are characterized by a fixed-term employment contract (of less than one year) and/or an unfixed number of working hours. Usually, they are considered as undesirable jobs by employees, as they offer little perspective and security in terms of a stable employment contract accompanied by a fixed income, especially compared to jobs with a permanent employment contract.

In addition to the fact that temporary jobs are cyclically sensitive, flexibilization of the labour market causes structural problems to individual's lives: People might stay in temporary, unstable jobs in their further career, for instance (Scherer, 2005). Being in such (financially) unstable employment might also prevent individuals from long-term commitments, especially concerning marriage and parenthood (Mills & Blossfeld, 2005). For instance, one might be hindered in the purchase of a house or the start of a family, because of financial instability. Not only the early, but also the later life course could hence be affected by employment flexibility. Not surprisingly, the 'Dutch Miracle' is often referred to as an unstable miracle (Delsen & de Jong, 1997).

4.1.2 Association between partners' precarious types of employment

The macro level trend towards labour market flexibilization in the Netherlands implies, at the micro level, that individuals are more likely to have a temporary job, especially since the mid-1990s. Since individuals often share a household with a partner and the employment rate of women has been considerably rising in recent decades, a growing number of individuals will have to deal with the consequences of employment flexibility. This can be either directly, because they are in a temporary job themselves, or indirectly, when their partner has such a job, or both. Particularly the latter would have severe social consequences, as it would increase the amount of labour market insecurity within a couple, especially compared to couples with a permanent employment contract. Even more employment insecurity might be experienced by couples of which one of both partners has a temporary job and the other is unemployed, compared to couples with double temporary employment. In this case, two partners have to be able to support themselves by the temporary earnings of only one partner.

In this chapter, temporary employment as well as unemployment is indicated as a type of employment precarity. Both the occurrence of double temporary employment and of temporary employment and unemployment within a couple can hence be characterized as precarious employment at the household level. Not only this is likely to have negative social consequences for the couples involved (like the disability to make long-term commitments as briefly described above), but also for society as a whole. On the societal level, precarious employment concentrated in couples will result in more social inequalities between households, as some households experience much labour market security (e.g. couples with double employment), others experience much labour market insecurity (e.g. couples with double unemployment), and again others experience only (some) short-term labour market security and long-term insecurity (e.g. couples with double temporary employment or with temporary employment and unemployment).

Until now, research on the relationship between employment precarity of two partners is lacking though indispensable in light of the current trend towards labour market flexibilization. Recent research did acknowledge the importance of studying partners' parallel careers and focused on the relationship between partners' employment situation, i.e. either in terms of labour market participation (employment versus non-employment) or in terms of occupational attainment. The results of most of these studies show a positive association between partners' employment situation (see, among others, Bernasco et al., 1998; Penn et al., 1994; Ultee et al., 1988). Findings indicate that when one partner is employed, the other partner is likely to be employed as well, and when one partner is unemployed, the likelihood that the other partner is also unemployed is relatively large. Other studies show a less clear picture of the relationship between partners' employment situation. Both Bernardi (1999) and Verbakel and de Graaf (2009) found that partners' resources have a negative effect on participation in the labour market, but a positive influence on occupational level. Verbakel et al. (2008) found a positive association between labour market positions of spouses, except for couples with children, who show a negative association between spouses' employment status.

4.1.3 Research questions

As described above, most results of previous studies indicate towards a positive relationship between partners' employment situation. However, in light of the trend towards labour market flexibilization since the 1990s, these studies do not provide a complete picture of today's association between partners' employment situation, as temporary employment has not yet been considered as an alternative to permanent employment or unemployment. This implies that it is still unclear how temporary employment of one partner is related to the other partner's employment situation. Does temporary employment come in couples? Does employment flexibility of one partner imply that the likelihood for the other partner to be unemployed is high? With regard to the positive relationship between partners' employment situation found in earlier studies,

one might expect a positive relationship between precarious types of labour market situations like temporary employment and unemployment. In this chapter, we focus on the extent to which employment precarity comes in couples. More specifically, this implies that we study both the relationship between partners' temporary employment and between partners' temporary employment and unemployment. We hence improve on previous studies by extending the usual distinction of labour market participation between employment and unemployment with a third type of employment: temporary employment.

Our focus in this study is on young couples as labour market flexibilization is especially concentrated among young people who enter first employment (Bukodi et al., 2008). Labour market entrants are considered as outsiders in the labour market by firms: They usually lack work experience, seniority, lobby, and networks, which makes it hard for them to get a secure and stable job as compared to the established labour work force (De Vreyer et al., 2000). A temporary contract enables employers to screen the labour market entrants' work potential first before offering them a permanent one, as it is difficult and costly to fire an inadequately functioning employee with a permanent contract. Double temporary employment and the occurrence of temporary employment and unemployment should hence be mainly prevalent among young couples.

Accordingly, the research questions that we address in this chapter are: *How is employment flexibility among young people related to employment flexibility or unemployment of their partner in the Netherlands since the 1990s? How can this relationship be explained?* To answer these questions we use repeated cross-sections of the Dutch Labour Force Survey, as collected by Statistics Netherlands in the period 1992-2007, containing information on 87,204 young couples.

4.2 THEORY AND HYPOTHESES

4.2.1 Hypotheses predicting a negative association between partners' employment precarity

Sharing a household with a partner, either married or within unmarried cohabitation, is characterized by (the intention of) a long-term commitment to each other. Although a multiperson household offers economies of scale, i.e. a reduction of fixed costs (like rent or mortgage, insurances etc.), because of sharing such expenses by two partners, it also implies that two partners have to 'negotiate' how to run their household jointly. This particularly concerns the division of labour: Partners have a common financial goal (i.e. (maximum) financial stability), which entails that a certain amount of paid and unpaid work needs to be 'produced' by the household. Given the fact that both partners are equally restricted by time, it is inefficient for both to apply themselves to paid labour as well as to unpaid labour. Specialization between partners will hence arise in either market

work or domestic work (under the condition that market and domestic production functions have constant or increasing returns to scale) as is argued by Becker (1981). In what way partners specialize will be determined by comparing both partners' marginal productivity in market work and domestic work (Bernardi, 1999). Households can thus be compared to firms: All tasks are divided in such a way that the family income and quality of family life are optimized in order to reach maximum economic profit. This implies that when one partner becomes unemployed, the likelihood that the other partner stays in employment or will get a job is higher, due to the decrease in total household income. In other words: There is substitution between two partners.

Traditionally, specialization between two partners implied that women devoted most of their time to childbearing and other domestic activities, while men were charged with paid labour. As described above, in light of the current trend towards labour market flexibilization, preceded by the substantial increase in female labour-force participation, the usual division of labour between partners (i.e. employment versus unemployment/non-employment) has been extended with a third possibility, i.e. temporary employment. With respect to the common financial goal of partners, temporary employment does not contribute much to this, as it is characterized by a fixed-term labour contract providing the employee with only short-term financial security, and it does not guarantee that the person will make a living after finishing the temporary job. With regard to financial security, temporary employment might hence be compared with unemployment. A permanent labour contract on the other hand, regardless of the wage level of a certain job, usually provides a household with financial stability, since this type of contract guarantees the employee to be employed in the long run and hence it assures the employee of at least a certain income level, also in the long run.

Based on these theoretical considerations, a hypothesis on the negative association between partners' temporary employment and between partner's temporary employment and unemployment can be derived. To reach financial security within a couple, at least one of both partners needs to have a stable job (i.e. a permanent employment contract). This facilitates the choice for the other partner to accept a temporary job or to be unemployed, since the household is then already ensured of a sufficient family income and does not necessarily need more money to live on. Also, when one partner is already in temporary employment or when one partner is unemployed, this puts pressure on the other partner to find a permanent job, since the household income still needs to be assured. This could also imply that people with a partner in temporary employment are still more willing to accept a temporary job instead of being unemployed, however, a permanent job is always the most desirable. Accordingly, we can thus hypothesize that temporary employment of one partner decreases the likelihood for the other partner to have a temporary job (H1a) or, even more strongly, to be unemployed (H1b) as against having a permanent job. Both hypotheses amount to a negative association between partners' employment precarity.

4.2.2 Hypotheses predicting a positive association between partners' employment precarity

Opposite to this economic approach, most empirical studies provide evidence for a positive association between partners' employment and between partners' unemployment (see, among others, Bernasco et al. 1998; Penn et al., 1994; Ultee et al., 1988). Based on this empirical evidence we formulate as an alternative hypothesis that temporary employment of one partner increases the likelihood for the other partner to have a temporary job (H2a) or to be unemployed (H2b) as against having a permanent job. However, this alternative hypothesis does not explain *why* people in temporary employment tend to have a long-term relationship with someone else with a temporary job or with someone unemployed. At least, it is rather unlikely that people 'choose' each other because of the fact that they are both in temporary employment or that one is in temporary employment and the other in unemployment. This is not only for the reason that it is quite undesirable for a couple that both partners have a temporary job or one a temporary job and the other no job, given the financial insecurity it brings about, but also because of the temporary character of temporary jobs. People with such jobs have to change jobs often, which might not give them the opportunity to 'meet' potential partners at work. In the same way, one can argue that unemployed people cannot meet a partner at work.

In this chapter, we distinguish three explanations for the positive association between partners' precarious employment situation, which is assortative mating, shared restrictions, and partner effects. We will now derive specific hypotheses based on each of these three mechanisms.

4.2.3 Assortative mating and partners' precarious employment

Assortative mating implies that people select partners that are alike with respect to characteristics like age, family background, education, and ethnicity (Mare, 1991) and that such characteristics relate at the individual level with employment situation. For instance, people with a high level of education tend to have a partner with a high level of education, and a higher educational level decreases the likelihood to be in temporary employment. Similarity between partners' employment situation can hence be regarded as a by-product of partner selection and not because of influence between partners (Ultee et al., 1988). According to this view, the positive relationship between partners' employment position would be spurious, as both partner choice and employment situation depend on a third characteristic which is equal for both partners. In this chapter, we focus on similarities of both partners in educational level, age, and ethnicity. We consider these characteristics as most relevant in both explaining partner selection and labour market situation, but we can also assume that they (age, ethnicity, and most likely educational level) precede both partner selection and labour market situation.¹⁴

¹⁴ Although it would also be interesting to study assortative mating on occupational status, the causal relationship with partner selection and labour market situation is less clear. In addition, occupational status is strongly dependent on level of education and it is not possible to include the occupational status of unemployed people. Therefore, we decided not to consider assortative mating on occupational status.

In current society, education might be one of the most important characteristics for partner selection, and educational systems act as marriage markets (Blossfeld, 2009). In general, people with a higher level of education tend to marry people who also have a higher level of education (Smits, Ultee & Lammers, 1998). In addition, it is known that these people are less likely to end up in temporary employment or to be unemployed (Breen, 1997). This implies that people with a higher level of education are likely to have a partner who also has a higher level of education, and both are less likely to be in temporary employment or unemployment compared to permanent employment, because of their higher level of education. The same argument can be applied to partners with both a lower level of education, who are more likely to have a temporary job or to be unemployed. Precarious employment homogamy is hence a by-product of educational homogamy and of the relation between educational level and precarious employment at the individual level. So, because of partners' similarity in educational level, temporary employment of one partner increases the likelihood for the other partner to have a temporary job (H3a) or to be unemployed (H3b) as against having a permanent job.

In a similar way, we expect that age homogamy and the individual relationship between age and temporary employment or unemployment are an explanation for the positive association between employment precarity of two partners. As described earlier, young people are labour market entrants who lack work experience. Employers are therefore reluctant to offer them a permanent contract immediately. Young people hence experience difficulties in entering the labour market and are more likely to be unemployed or to enter the labour market in a temporary contract, compared to older people (Bukodi et al., 2008). As people tend to mate with people of (nearly) the same age, they both have more or less the same likelihood to end up in precarious employment. Therefore, we hypothesize that, because of partners' similarity in age, temporary employment of one partner increases the likelihood for the other partner to have a temporary job (H4a) or to be unemployed (H4b) as against having a permanent job.

Finally, partners' similarity in ethnicity may explain their equal likeliness to be in precarious employment compared to permanent employment. Research has shown that young people from ethnic minorities are more likely to be in temporary employment than indigenous youth. For instance, between 1993 and 1995, one out of four youth from ethnic minorities had a temporary job in the Netherlands, compared to one out of five native youth (SCP, 1997). In addition, unemployment among ethnic minorities is disproportionately high. As people from ethnic minorities have a higher probability of getting a temporary job or to be unemployed compared to native people and tend to marry within their own ethnic group, ethnic homogamy might be an additional explanation for the positive relationship between partners' precarious employment. Accordingly, it is hypothesized that, because of partners' similarity in ethnicity, temporary employment of one partner increases the likelihood for the other partner to have a temporary job (H5a) or to be unemployed (H5b) as against having a permanent job.

4.2.4 Shared restrictions and partners' precarious employment

The second explanation for the positive association between partners' precarious employment situation is formed by shared restrictions, i.e. opportunities partners share and barriers they face together (Bernasco et al., 1998). Shared restrictions come down to the fact that partners usually experience the same context and face the same more or less favourable labour market conditions. In particular, partners are temporally jointly restricted. Periods of economic recession will restrict the opportunities for both partners to find work, while periods of prosperity will benefit both in the same way. So, over time the likelihood to be in precarious employment will fluctuate, but since both partners share the same (un)favourable labour market conditions, the probability to have a temporary job or to be unemployed due to the general unemployment rate in a particular year is also the same for them (all else being equal). We expect that, because of similarity in the level of unemployment partners face when entering the labour market, temporary employment of one partner increases the likelihood for the other partner to have a temporary job (H6a) or to be unemployed (H6b) as against having a permanent job.

The unemployment rate might account for cyclical fluctuations in the shared likelihood of partners to experience precarious employment, but we can argue in a similar way that a rise in the level of globalization explains a structural increase in the likelihood for both partners to be in a precarious employment situation (again, all else being equal). Globalization implies that firms in advanced economies started to increasingly compete against firms from other economies around the world since the 1980s, instead of competing only within their regional economy. This internationalization of markets and rising tax competition among welfare states 'enforced' employers to seek for greater flexibility through adaptation of the work force (Kalleberg, 2009). Consequently, a shift from lowly to highly skilled labour took place and labour costs were reduced through flexible employment relations, such as temporary jobs and on-call employment. As globalization positively affects the likelihood to be in precarious employment compared to permanent employment (Buchholz et al., 2009), we expect that, because of similarity in the level of globalization partners face, temporary employment of one partner increases the likelihood for the other partner to have a temporary job (H7a) or to be unemployed (H7b) as against having a permanent job.

4.2.5 Partner effects and partners' precarious employment

The third explanation of a positive association between partners' precarious employment is the existence of partner effects. Whereas the aforementioned by-product explanations assume no influence between partners, other explanations do postulate effects of the resources of one's partner. Partners can be considered as social capital: providers of skills, knowledge, and network resources that add up to one's own labour market resources one has access to (Bernasco et al., 1998). The educational level and the employment situation of one's partner are indicators of such social capital and can hence be used for improving

career opportunities. More specifically, partner effects imply that partners can transmit their own occupational skills, competences, and experience (in brief their human capital) to their partner, for instance when the partner is studying for an examination (Bernardi, 1999). In addition, partners can help prepare for a job interview by suggesting how to speak, what to wear, or how to behave. This can be regarded as the transmission of cultural capital between partners. Lastly, partners can provide information on jobs not advertised or form a 'bridge' to distant social networks. So, partner's human, cultural, and social capital all affect the employment situation of the other partner positively. In the same way, absence of such capital, which is more likely when the partner is in a precarious employment situation, prevents him or her from helping his or her partner. Therefore, the latter will also be more likely to be in precarious employment, as compared to permanent employment.

Partner effects on couples' precarious employment, however, can only be observed when controlled for associations generated by assortative mating and shared restrictions, as we lack direct measures of partner effects. Our last hypothesis reads that, because of (a lack of) partner's labour market resources, temporary employment of one partner increases the likelihood for the other partner to have a temporary job (H8a) or to be unemployed (H8b) as against having a permanent job, after controlling for explanations of assortative mating and shared restrictions.

4.3 DATA AND MEASUREMENTS

4.3.1 Data and analytical sample

To test these hypotheses, we pooled 16 cross-sections of the Dutch Labour Force Survey (in Dutch: 'Enquête Beroepsbevolking') collected by Statistics Netherlands in 1992-2007. This large-scale household survey aims at monitoring the Dutch labour market situation. The survey is representative of the Dutch non-institutionalized population of 15 years and older, and data are collected every year to provide national employment statistics on a regularly basis. The survey contains detailed information on education and occupation of respondents and their partners, including information on temporary employment.

Although we acknowledge the value of using dynamic data to answer our research questions, which would allow to investigate the causal relationship between partners' employment situation, we have several arguments to use cross-sectional data here. First, dynamic data covering such a long period (i.e. 1992-2007) do not exist. Our cross-sectional data enable to study partners' employment precarity over a relatively long time span in which precarious employment in the Netherlands actually seemed to grow. Second and related to this, our data provide much statistical power given the large sample size. Third, we believe that it is important to investigate whether the association between partners' employment situation exists, before examining the causal relationship. In case we do not

find evidence for this association based on cross-sectional data, it would not be necessary to use dynamic data, whereas if we do find evidence for the association between partners' employment precarity, the next step would be to investigate the causal relationship by using dynamic data.

The original data set contained 454,607 households of which 276,298 were single-person households and 178,309 two-person households. As we focus on couples and want to analyse male and female partners of one couple separately, we only included opposite-sex couples. In addition, we only included households with respondents aged 39 or younger, as we aim to study young couples in this chapter, as explained above.¹⁵ Finally, we excluded respondents outside the labour force.¹⁶ After these selections, our sample size includes 87,204 two-person households.

4.3.2 Dependent variable

Employment situation is measured through three categories. Permanent employment refers to employees with a permanent employment relationship (i.e. having an employment contract of at least one year and for a fixed number of working hours); temporary employment refers to employees with a flexible employment relationship (i.e. having an employment contract of less than one year without perspective of a permanent contract and/or having an employment contract for an indefinite number of working hours), and unemployment (i.e. according to the ILO definition: not working or working less than 12 hours per week and actively seeking for work).¹⁷ We excluded people who indicated to be self-employed, since this concerns a (small) group of people with a very specific type of employment, which is neither permanent nor temporary.

4.3.3 Independent variables (respondent and partner)

The explanatory variable *employment situation partner* is measured in the same way as our dependent variable distinguishing between permanent employment, temporary employment, and unemployment. Highest *level of education* and highest *level of education partner* are measured by six educational categories: elementary education or lower vocational education (BO/LBO), intermediate general education (MAVO), higher general education (HAVO/VWO), intermediate vocational education (MBO), higher vocational

¹⁵ As the age of 39 might seem too old to study young people, we have replicated the analyses for respondents not older than 34 and once again for respondents under the age of 25. Since the results of these analyses are similar to the results of the analysis for respondents aged 39 or younger, we keep the age of 39 as the upper limit.

¹⁶ The prevalence of non-employment (e.g. housewives or disabled workers) among young people is too low to include as an additional type of employment in our analysis.

¹⁷ Both our definition of permanent employment and our definition of temporary employment do not differentiate part-time employment from fulltime employment. The reason for this is that, in the Netherlands, part-time jobs carry the same social rights as fulltime jobs (such as unemployment benefits, parental leave etc.).

education (HBO), and university (WO). We decided to combine elementary education and lower vocational education in one category as the former contained only a small percentage of respondents in our data. *Age* and *age partner* are measured by three categories: 15-29 years old, 30-34 years old, and 35-39 years old. *Ethnicity* and *ethnicity partner* are included as dummy variables referring to natives (reference category) and non-natives. Non-natives are defined as people with at least one parent born abroad.¹⁸

To measure the labour market conditions partners face, we added the *aggregate unemployment rate* (i.e. percentage unemployed labour force) in the year of the survey to the micro data. These statistics are based on figures from Statistics Netherlands (CBS, 2009). We also added the *level of economic globalization*, which is measured through the economic dimension of the KOF Index of Globalization (Dreher, 2006) and which is discussed into more detail in section 2.3.3.

An overview of all variables included in the analysis is presented in Table 4.1, for males and females separately. Note that the characteristics of males are the females' partner characteristics and vice versa.

4.4 RESULTS

4.4.1 Descriptive analysis

To find out to what extent employment precarity among young people in the Netherlands is related to employment precarity of the partner, we first contrast male-respondent's employment situation with their female-partner's employment situation in Table 4.2. In the same way, we compare female-respondent's employment situation to their male-partner's employment situation. Table 4.2, first of all, shows that women more often find themselves in a precarious labour market situation than men. Of all women, 7.9 per cent has a temporary job versus 3.9 per cent of all men, and 6.7 per cent is unemployed versus 2.1 per cent of all men.

In addition, we learn from Table 4.2 that 14.7 per cent of all male respondents with a temporary job has a female partner with a temporary job versus 7.6 per cent of all men with a permanent job and 11.1 per cent of all men being unemployed. Furthermore, we find that 7.2 per cent of all women with a temporary job has a partner in temporary employment versus 3.4 per cent of all women with a permanent job and 5.5 per cent of all women being unemployed. In the same way, we see that both men and women being unemployed more often have an unemployed partner (respectively 22.8 per cent and 7.3 per cent) compared to people with a permanent job (6.2 per cent and 1.6 per cent) or a temporary job (9.5 per cent and 3.0 per cent). In addition, men and women with a permanent job more often have a partner in permanent employment (respectively 86.2

¹⁸ Distinguishing between types of ethnicities or generations of migrants was unfortunately not possible, as this information was not available for all survey years.

Table 4.1 Descriptive statistics of the dependent and independent variables (men, N = 87,204; women, N = 87,204).

	Distribution		Range	Mean	St. Dev.	Mean	St. Dev.
	Men	Women		Men		Women	
Dependent variable							
Employment situation ^a							
Permanent employment	94%	85%					
Temporary employment	4%	8%					
Unemployment	2%	7%					
Independent variables							
Level of education ^a							
Elementary/Lower vocational (BO/LBO)			0/1	0.19		0.13	
Intermediate general (MAVO)			0/1	0.05		0.07	
Higher general (HAVO/VWO)			0/1	0.05		0.07	
Intermediate vocational (MBO)			0/1	0.42		0.44	
Higher vocational (HBO)			0/1	0.19		0.21	
University (WO)			0/1	0.10		0.08	
Age ^a							
15-29 years old			0/1	0.32		0.48	
30-34 years old			0/1	0.36		0.33	
35-39 years old			0/1	0.32		0.19	
Ethnicity ^a							
Native			0/1	0.91		0.90	
Non-native			0/1	0.09		0.10	
Unemployment rate			3.46 - 8.46	5.86	1.58	5.86	1.58
Economic globalization			86.78 - 95.54	91.32	2.63	91.32	2.63

^a See for the statistics of the independent partner variables the statistics of the opposite sex.

Source: Dutch Labour Force Survey (1992-2007).

per cent and 94.9 per cent) than people with a temporary job (75.8 per cent and 89.8 per cent) or in unemployment (66.0 per cent and 87.2 per cent).

Table 4.2 Employment situation respondent by employment situation partner (men, N = 87,204; women, N = 87,204).

	% of total			% of total		% within employment category	
	Men	Women		Men	Women	Men	Women
Permanent employment	94.0	85.4	Permanent employment partner	81.0	81.0	86.2	94.9
			Temporary employment partner	7.1	2.9	7.6	3.4
			Unemployment partner	5.8	1.4	6.2	1.6
Temporary employment	3.9	7.9	Permanent employment partner	2.9	7.1	75.8	89.8
			Temporary employment partner	0.6	0.6	14.7	7.2
			Unemployment partner	0.4	0.2	9.5	3.0
Unemployment	2.1	6.7	Permanent employment partner	1.4	5.8	66.0	87.2
			Temporary employment partner	0.2	0.4	11.1	5.5
			Unemployment partner	0.5	0.5	22.8	7.3

Source: Dutch Labour Force Survey (1992-2007).

From these findings, we can conclude that the bivariate relationship between partners' employment situation points towards double temporary employment within households, as well as double permanent employment and double unemployment. With regard to the occurrence of temporary employment and unemployment within one couple, the results do not show that this combination is more prevalent than, for instance, the occurrence of a temporary partner with a permanently employed partner or an unemployed with a permanently employed partner. So, particularly the evidence of double temporary employment supports our hypotheses that there is a positive association between partners' precarious employment (H2a and H2b), instead of a negative association (H1a and H1b).

4.4.2 Multivariate analysis

To test whether the positive relationship between partners' employment situation remains after controlling for important respondent and partner characteristics and to find out *why* this positive relationship exists, we estimated multivariate models. In Table 4.3a and Table 4.3b we present the results of the multinomial logistic regression analysis on employment situation, both for unemployment and temporary employment versus permanent employment, for men and women separately. Additional tables presenting the results of the multinomial logistic regression analysis comparing temporary employment to unemployment are provided in the Appendix (Table A3a for men and Table A3b for women).

In Model 1, we first estimate the effect of partner's employment situation on respondent's employment situation. From this model, we observe that there is a positive association between having a temporary partner and being in temporary employment oneself, compared to being in permanent employment ($b=0.792$ for both men and women). This finding supports H2a. In addition, there is a positive association between having a temporary partner and being in unemployment compared to permanent employment ($b=0.649$ for men and $b=0.556$ for women). This result is in line with H2b.

How can we explain this positive association between partners' precarious employment? The by-product explanation assumed no influence of partners on each other's career, but because of homogamy in education (H3a and H3b), age (H4a and H4b), and ethnicity (H5a and H5b) partners are alike and have similar jobs. In addition, partners face the same labour market circumstances, such as the aggregate unemployment rate (H6a and H6b) and the level of economic globalization (H7 and H7b), which affect the employment situation one finds oneself in. If these explanations hold true (assuming that there are no other explanations), the positive association between partners' employment situation should disappear or at least turn non-significant, when controlling for partners' educational level, age, ethnicity, unemployment rate, and level of globalization. In addition to these by-product explanations, however, we expected that partners influence each other through partner effects (H8a and H8b). This implies that part of the association between partners' labour market situation would remain unexplained after including respondent and partner characteristics.¹⁹

Model 2 takes all individual and partner characteristics into account. However, to strictly test our hypotheses (H3a and H3b, H4a and H4b, and H5a and H5b), we need to add the respondent and partner characteristics (i.e. educational level, age, and ethnicity) one by one to Model 1. Table 4.4a and Table 4.4b show the results of these additional models.

¹⁹ In fact, we are mainly interested in the association between partners' employment situation, which we try to explain by controlling for homogamy and shared labour market restrictions in order to observe partner effects (which we cannot measure directly with our data). This implies that we do not discuss the main effects of the respondent and partner characteristics. As these effects might still be interesting to see, we do present them in Table 4.3a and in Table 4.3b.

Table 4.3a Multinomial logistic regression of employment situation of men: unstandardized coefficients (N = 87,204).

	Temporary versus permanent employment			Unemployment versus permanent employment		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Intercept	-3.315**	-2.677**	-8.980**	-4.057**	-3.238**	-5.315**
Employment situation partner						
Permanent employment	ref.	ref.	ref.	ref.	ref.	ref.
Temporary employment	0.792**	0.649**	0.648**	0.649**	0.405**	0.396**
Unemployment	0.556**	0.448**	0.459**	1.574**	1.246**	1.131**
Level of education						
Elementary/Lower vocational (BO/LBO)		ref.	ref.		ref.	ref.
Intermediate general (MAVO)	-0.116	-0.118		-0.093	-0.092	
Higher general (HAVO/VWO)	0.062	0.059		-0.152	-0.161	
Intermediate vocational (MBO)	-0.457**	-0.462**		-0.598**	-0.594**	
Higher vocational (HBO)	-0.408**	-0.412**		-0.736**	-0.736**	
University (WO)	-0.544**	-0.545**		-0.310**	-0.311**	
Level of education partner						
Elementary/Lower vocational (BO/LBO)		ref.	ref.		ref.	ref.
Intermediate general (MAVO)	-0.109	-0.112		-0.297**	-0.294**	
Higher general (HAVO/VWO)	0.022	0.009		-0.376**	-0.362**	
Intermediate vocational (MBO)	-0.136**	-0.147**		-0.591**	-0.552**	
Higher vocational (HBO)	-0.004	-0.017		-0.470**	-0.418**	
University (WO)	0.123	0.101		-0.564**	-0.480**	
Age						
15-29 years old		ref.			ref.	
30-34 years old	-0.458**	-0.466**		-0.202**	-0.168**	
35-39 years old	-0.635**	-0.643**		-0.023	0.029	
Age partner						
15-29 years old		ref.			ref.	
30-34 years old	-0.195**	-0.198**		-0.224**	-0.208**	
35-39 years old	-0.228**	-0.230**		-0.229**	-0.214*	
Ethnicity						
Native		ref.			ref.	
Non-native	0.913**	0.902**		1.073**	1.133**	
Ethnicity partner						
Native		ref.			ref.	
Non-native	0.275**	0.263**		0.354**	0.433**	
Unemployment rate			0.072**			0.265**
Economic globalization			0.065**			0.004
Model chi ²	831	2776	3064	831	2776	3064
Degrees of freedom	4	36	40	4	36	40

** p<0.01; * p< 0.05 (two-tailed test).

Source: Dutch Labor Force Survey (1992-2007).

Table 4.3b Multinomial logistic regression of employment situation of women: unstandardized coefficients (N = 87,204).

	Temporary versus permanent employment			Unemployment versus permanent employment		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Intercept	-2.430**	-1.696**	-0.682	-2.635**	-1.914**	0.141
Employment situation partner						
Permanent employment	ref.	ref.	ref.	ref.	ref.	ref.
Temporary employment	0.792**	0.657**	0.661**	0.556**	0.458**	0.490**
Unemployment	0.649**	0.408**	0.380**	1.574**	1.257**	1.138**
Level of education						
Elementary/Lower vocational (BO/LBO)		ref.	ref.		ref.	ref.
Intermediate general (MAVO)	-0.282**	-0.283**		-0.338**	-0.340**	
Higher general (HAVO/VWO)	-0.535**	-0.530**		-0.861**	-0.836**	
Intermediate vocational (MBO)	-0.577**	-0.568**		-0.926**	-0.886**	
Higher vocational (HBO)	-0.703**	-0.692**		-1.334**	-1.290**	
University (WO)	-0.814**	-0.795**		-1.520**	-1.444**	
Level of education partner						
Elementary/Lower vocational (BO/LBO)		ref.	ref.		ref.	ref.
Intermediate general (MAVO)	-0.224**	-0.224**		-0.309**	-0.308**	
Higher general (HAVO/VWO)	-0.195**	-0.197**		-0.370**	-0.379**	
Intermediate vocational (MBO)	-0.220**	-0.219**		-0.361**	-0.357**	
Higher vocational (HBO)	-0.220**	-0.221**		-0.417**	-0.423**	
University (WO)	-0.203**	-0.205**		-0.208**	-0.213**	
Age						
15-29 years old		ref.	ref.		ref.	ref.
30-34 years old	-0.234**	-0.228**		0.167	0.192*	
35-39 years old	-0.050	-0.042		0.320**	0.355**	
Age partner						
15-29 years old		ref.	ref.		ref.	ref.
30-34 years old	-0.164**	-0.157**		0.087*	0.122**	
35-39 years old	0.066	0.074		0.341**	0.385**	
Ethnicity						
Native		ref.	ref.		ref.	ref.
Non-native	0.466**	0.484**		0.563**	0.641**	
Ethnicity partner						
Native		ref.	ref.		ref.	ref.
Non-native	0.154**	0.167**		0.127**	0.174**	
Unemployment rate			0.031*			0.171**
Economic globalization			-0.013			-0.035**
Model chi ²	831	3780	4362	831	3780	4362
Degrees of freedom	4	36	40	4	36	40

** p<0.01; * p< 0.05 (two-tailed test).

Source: Dutch Labour Force Survey (1992-2007).

Model 1b in Tables 4.4a and 4.4b shows that by adding the educational level of the individual and partner to Model 1 (as displayed in Tables 4.3a and 4.3b), the logit effect of having a partner with a temporary job on being in temporary employment oneself (compared to permanent employment) slightly decreases from 0.792 to 0.737 for both men and women. In addition, the logit effect of having a temporarily employed partner on being unemployed decreases from 0.649 to 0.514 for men and from 0.556 to 0.461 for women.

In Model 1c, the age of the respondent and partner are added to Model 1b, and it appears from this model that, concerning the association between partners' temporary employment, for men the logit effect decreases to 0.718 and for women to 0.721. In addition, the association between female's temporary employment and male's unemployment decreases (i.e. from $b=0.514$ to $b=0.501$) after including both age variables, while the association between male's temporary employment and female's unemployment is stronger (i.e. $b=0.535$ instead of $b=0.461$) after including age.

In Model 2 (Tables 4.3a and 4.3b), ethnicity of the respondent and partner are added to Model 1b (Tables 4.4a and 4.4b). It then appears that the effect of having a partner with a temporary job on being in temporary employment oneself (compared to permanent employment) decreases a little but is still existing (i.e. $b=0.649$ for men and $b=0.657$ for women). A similar result is found for the effect of having a temporary partner on being unemployed: This effect has decreased to $b=0.405$ for men and to $b=0.458$ for women.

In brief, the results in Tables 4.3a, 4.3b, 4.4a and 4.4b revealed that both similarities between partners in educational level and ethnicity do (partially) account for the positive relationship between partners' temporary employment and between partners' unemployment and temporary employment. H3a, H3b, H5a, and H5b are thus supported by our results. Age homogamy does explain the positive association between partners' temporary employment and between female's temporary employment and male's unemployment, however, it does not explain the association between male's temporary employment and female's unemployment (confirming H4a and partly confirming H4b). Also, we conclude that the positive relationship between partners' temporary employment still remains after controlling for these respondent and partner characteristics.

In Model 3 (Tables 4.3a and 4.3b), we also control for the labour market situation both partners face (i.e. the aggregate unemployment rate and level of economic globalization). It appears that the positive effect of partner's temporary employment on respondent's temporary employment does not substantially differ from Model 2 (i.e. $b=0.648$ for men and $b=0.661$ for women). A similar result is found for unemployed men with a partner in temporary employment (i.e. $b=0.396$), but not for unemployed women with a temporary partner. The positive association between men's temporary employment and women's unemployment even increases from $b=0.458$ to $b=0.490$. Also Model 2b (see Tables 4.4a and 4.4b), in which only the aggregate unemployment rate is added to Model 2, does not show any change in the logit effect of having a partner with a temporary job on being in

Table 4.4a Multinomial logistic regression of employment situation of men: unstandardized coefficients (additional models) (N = 87,204).

	Temporary versus permanent employment			Unemployment versus permanent employment		
	Model 1b (M1+education)	Model 1c (M1b+age)	Model 2b (M2+unemployment)	Model 1b (M1+education)	Model 1c (M1b+age)	Model 2b (M2+unemployment)
Intercept	-2.837**	-2.442**	-2.573**	-3.093**	-2.933**	-4.940**
Employment situation partner						
Permanent employment	ref.	ref.	ref.	ref.	ref.	ref.
Temporary employment	0.737**	0.718**	0.649**	0.514**	0.501**	0.396**
Unemployment	0.462**	0.529**	0.456**	1.332**	1.351**	1.131**

Table 4.4b Multinomial logistic regression of employment situation of women: unstandardized coefficients (additional models) (N = 87,204).

	Temporary versus permanent employment			Unemployment versus permanent employment		
	Model 1b (M1+education)	Model 1c (M1b+age)	Model 2b (M2+unemployment)	Model 1b (M1+education)	Model 1c (M1b+age)	Model 2b (M2+unemployment)
Intercept	-1.699**	-1.601**	-2.005**	-1.511**	-1.804**	-3.341**
Employment situation partner						
Permanent employment	ref.	ref.	ref.	ref.	ref.	ref.
Temporary employment	0.737**	0.721**	0.659**	0.461**	0.535**	0.484**
Unemployment	0.512**	0.496**	0.380**	1.332**	1.360**	1.138**

** $p<0.01$; * $p<0.05$ (two-tailed test).

Source: Dutch Labour Force Survey (1992-2007).

temporary employment and almost no change in the logit effect of having a partner with a temporary job on being in unemployment for men. For unemployed women we find, again, that the positive association with partner's temporary employment increases after adding the aggregate unemployment rate (from $b=0.458$ to $b=0.484$). This also implies that adding the level of globalization to this model does not substantially change the positive association between women's unemployment and their partner's temporary employment. In brief, these findings indicate that H6a, H6b, H7a, and H7b cannot be supported by our results.

After controlling for explanations of educational, age, and ethnic homogamy, as well as shared labour market restrictions, we find that the positive relationship between partners' precarious employment has decreased to some extent, but still exists. Although there might be additional explanations for this relationship, we did control for the most relevant characteristics that are usually used in explaining individual's employment situation. Therefore, we believe to have indications for the fact that partners influence each other's careers, although we could not test for direct measures of partner support. Accordingly, this confirms our last hypotheses (H8a and H8b).

4.5 CONCLUSION AND DISCUSSION

In this chapter, we focused on the question to what extent employment precarity comes in young couples in the Netherlands. It appeared that, according to theories on homogamy, young people's employment situation does positively relate to the partner's employment situation, that is to say, individuals with a permanent job tend to have a partner in permanent employment, individuals with a temporary job tend to have a partner in temporary employment, and those in unemployment tend to have an unemployed partner. In addition, the combination of temporary employment and unemployment appears to be common within couples. These findings do not support an economic approach, assuming a negative relationship between partners' employment situation.

The fact that precarious employment is concentrated among young couples does not point towards an optimistic future perspective on social inequality within the Netherlands. Although nowadays the number of households 'united' in precarious employment might still be rather low and the consequences of double precarious employment might hence not seem to be too serious, a further increase in the number of individuals that is in precarious employment might be expected in the near future, in light of the trend towards labour market flexibilization since the 1990s. This also implies that more and more young couples will be involved in much financial insecurity, which might hinder them to buy a house or to start a family.

To explain the positive relationship between partners' precarious employment, we distinguished three possible explanations: i.e. assortative mating, shared restrictions, and

partner effects. We found that the positive relationship between partners' employment precarity is only partially due to the fact that partners select each other on the basis of similar characteristics, like level of education, age, and ethnicity. We did not find, however, that the fact that both partners face the same labour market circumstances, like the aggregate unemployment rate and the level of economic globalization, explains (part of) the positive association between partners' temporary employment. As the positive relationship between partners' temporary employment still exists after ruling out the first two explanations, we can conclude that partner effects are also present. The fact that partners can positively affect each other's career through their labour market resources possibly makes the consequences of the trend towards labour market flexibilization less severe. At least, the existence of partner effects leads to the belief that something can be done to prevent couples from being in double precarious employment: If partners do lack the resources to help each other in finding a permanent job, government agencies can compensate this by offering their help. Would we have found that double precarious employment is mainly the consequence of assortative mating and shared restrictions, then the occurrence of employment precarity within young couples would have seemed to be less inevitable.

In this chapter, we confirmed a positive association between partners' employment situation. By ruling out the fact that this association is a by-product of similarity between partners in characteristics like educational level, age, and ethnicity (i.e. characteristics of which we know that they precede one's labour market situation), we believe that partners do influence each other's career, as indicated earlier. Future research, however, should provide a more direct test of the existence of such partner effects, which was not possible with our (cross-sectional) data, unfortunately. Within this respect, it would be a logical next step to use dynamic data in future research. This would allow to disentangle the causal relationship between partners' employment situation by investigating how a change in one partner's employment status changes the other partner's status (or not). We could then also observe whether both sexes do affect each other equally, or if men, for instance, only affect the female partner's career and not the other way round.

5

Consequences of employment flexibility at labour market entry for early career developments in the Netherlands²⁰

²⁰ A slightly different version of this chapter is forthcoming in *Economic and Industrial Democracy* (de Lange, Gesthuizen & Wolbers, in press-a). An earlier version of this chapter was presented at the Summer Meeting of the ISA RC28 in Iowa City, Iowa, USA, August 2011, at the 19th workshop of the European Research Network on Transitions in Youth in Tallinn, Estonia, September 2011 (presentation by Maarten H. J. Wolbers), and at the 'Nederlandse Arbeidsmarktdag 2011' of the 'Stichting Nederlandse ArbeidsmarktDag' in The Hague, the Netherlands, October 2011.

ABSTRACT

In this chapter, it is investigated to what extent employment flexibility at labour market entry negatively affects the early career of labour market entrants in the Netherlands in the period 1986-2008. Additionally, the question is raised to what extent educational differences exist in this relationship. To answer these questions, Dutch panel data from the OSA Labour Supply Panel have been analysed. The results correspond with previous findings from studies on other European countries, supporting the stepping-stone rather than the entrapment hypothesis. A flexible start in the Dutch labour market increases the likelihood of repeated temporary employment and unemployment in the early career and coincides with less occupational status development and income growth. However, the detrimental effects of temporary employment at labour market entry are only temporary and diminish after some years. Furthermore, no evidence is found for the existence of educational differences in the negative effects of employment flexibility at labour market entry.

5.1 INTRODUCTION

5.1.1 Consequences of employment flexibility at labour market entry

Educational qualifications are crucial for a successful entry in the labour market, which in turn determines to a great extent early career development and labour market chances later in life (Bratberg & Nilsen, 2000; Kogan & Müller, 2003). In many European societies, however, the transition from education to work has been far from smooth over the past three decades, mainly due to the occurrence of persistently high (youth) unemployment (Müller & Gangl, 2003). High unemployment rates paved the way for employment flexibility in these countries and, as a consequence, standard employment relationships began to unravel and various types of flexible work arrangements (such as temporary jobs and on call-employment) emerged (Kalleberg, Reskin & Hudson, 2000). Such flexible work arrangements are usually considered as marginal by workers, as they offer little labour market perspective and security in terms of a stable employment contract with a fixed income, especially compared to permanent jobs. As young workers represent a very vulnerable labour market group, flexible and insecure employment relations tend to be pronounced at labour market entry in particular (Blossfeld et al., 2008).

In the literature, the consequences of employment flexibility at labour market entry are regarded from opposing perspectives. On the one hand, quite a large body of literature concerns the negative impact of temporary employment at the beginning of one's career, that is that people might get 'trapped' in such unstable jobs if they once accept one (Scherer, 2005; Steijn et al., 2006). According to this entrapment scenario, the negative consequences of a flexible start go beyond the duration of that specific job and are long lasting. On the other hand, it is argued that a flexible labour market entry, unlike unemployment, offers individuals the opportunity to actively participate in the labour market and to gain work experience, keeping one's knowledge and skills up to date, at least to some extent. This perspective considers the negative consequences of a temporary job to be temporary, meaning that the later career is not negatively affected. Elaborating on this entry port or integration scenario, it is argued that a flexible entry position may even bring relative advantages for the subsequent career, which is also known as the stepping-stone perspective (Scherer, 2004). The argumentation is that initial disadvantages, due to a flexible labour market entry, ask for greater mobility steps later on. As opposed to the entrapment scenario, employment flexibility at labour market entry may hence function as a step towards more permanent employment in the further career (de Graaf-Zijl et al., 2011).

As being outlined above, the two scenarios both assume that the consequences of employment flexibility at labour market entry are equal among different groups of young workers. Taking account of the decisive role of education in the allocation of young people to jobs, however, gives rise to the assumption that the consequences of a flexible entry may vary between individuals with different credentials (see Gebel, 2010). As Breen (1997)

and Kalleberg (2009) argue, employment flexibility disproportionately affects labour market entrants with low (vocational) qualifications. Previous research on the Dutch case showed that the trend towards labour market flexibilization is indeed different for lower and higher educated entrants (de Lange et al., 2012 [Chapter 2 in this book]). It was found that the increasing likelihood to start in a temporary job instead of a permanent one particularly applied to lower educated people, while the growing likelihood to enter temporary employment instead of being unemployed particularly pertained to higher educated people. Whereas for lower educated a flexible entry hence signals an unstable start in the labour market, for higher educated it may be more an indication of having had the opportunity to enter the labour market, instead of remaining unemployed.

With regard to the career consequences of temporary employment at labour market entry, a similar differential effect of education may be expected. It was already mentioned that the perspectives on the early career consequences of a flexible entry diverge in the literature, from being negative to even positive. Following the different implications of a flexible labour market entry for lower and higher educated individuals, it seems legitimate to expect that the negative scenario may be more applicable to the lower educated while a less negative or even positive scenario may particularly apply to the higher educated.

5.1.2 Research questions

This chapter investigates the early career effects of employment flexibility at labour market entry among young workers in the Netherlands in the period between 1986 and 2008. The first research questions read: *To what extent does a flexible entry in the labour market negatively affect early career developments (in terms of subsequent labour market position[s], occupational status attainment, and income growth) of Dutch labour market entrants since the 1990s? To what degree is this predicted negative effect (long) lasting?* A flexible labour market entry is defined here as being in temporary employment in the first job. So, the focus is restricted to numerical flexibility. The early career is studied from a comprehensive perspective by concentrating on changes in the employment situation, occupational status development, and income growth. The latter two outcomes are indicators of employment quality (in terms of social standing and remuneration) and thus important to include, in addition to a measure of the actual employment situation of young workers. Previous research has studied these various outcomes, but not at the same time (Gash, 2008; McGinnity, Mertens & Gundert, 2005; Scherer, 2004; Wolbers, 2008a). The second research question relates to the issue whether educational differences exist in the expected negative effects of a flexible entry in the labour market on the early career of Dutch school-leavers, i.e.: *To what extent do educational differences exist in the negative relationship?* These educational differences form a rather unexplored area within the literature on the consequences of employment flexibility at labour market entry, although they are often suggested (see for an exception Gebel [2010]).

To answer the research questions, the OSA Labour Supply Panel is used. This panel study with detailed information on the employment history of the (potential) Dutch labour force started in 1985 with subsequent surveys that have taken place every two years since 1986. On the basis of this panel study, school-leavers were selected who left daytime education in the period 1986-2008. The use of such a prospective, longitudinal research design is quite common in the international literature on the early career effects of a flexible labour market entry among young workers (see, for instance, McGinnity et al., 2005), but not yet applied in studies on the Netherlands.

5.1.3 The Dutch context

The Netherlands provides an interesting context for this empirical analysis. As a result of the high (youth) unemployment rates of the 1980s, a number of active policy measures have been adopted since then to make the Dutch labour market more flexible. The Wassenaar Agreement of 1982 is considered as the basis for these initiatives and regarded as one of the pillars of the 'Dutch Miracle' (Visser & Hemerijck, 1997). As a consequence, the number of flexible employment relations have increased remarkably in the Netherlands. This has manifested itself in the considerable number of jobs with temporary contracts and the amount of employment through temporary work agencies or on on-call basis, especially among youth. Between 1992 and 2005, the share of Dutch labour market entrants in temporary employment increased from 22 per cent to 34 per cent (de Lange et al., 2012 [Chapter 2 in this book]). Part-time employment is, for a matter of fact, not regarded as temporary employment in the Netherlands, unlike many other countries. In the Dutch case, many part-time jobs are permanent positions, are voluntarily chosen, and protect against unfair dismissal in the same way as full-time jobs (Remery et al., 2002). In fact, the huge increase of part-time work is closely related to the late and rapid arrival of married women into the Dutch labour force and the lack of sufficient childcare provisions (Visser, 2002), rather than being a means of reducing (youth) unemployment.

In addition, the Dutch labour market is characterized by relatively strong employment protection legislation (EPL), resulting in closed employment relationships and relatively powerful interference of labour unions in the negotiation on collective labour agreements, which typically classifies the Netherlands as a coordinated economy (OECD, 2004). Moreover, temporary workers are mostly not unionized, due to the insecure and short-term character of temporary jobs (Goslinga & Sverke, 2003). This implies that the dichotomy between insiders and outsiders in the Dutch labour market is rather distinct. School-leavers, as outsiders in the labour market, may hence struggle to become an insider, and it may take a while before a permanent employment position is obtained after a flexible labour market entry.

5.2 THEORY AND HYPOTHESES

5.2.1 Negative consequences of employment flexibility at labour market entry

The entrapment scenario, predicting a negative, long-lasting effect of employment flexibility at labour market entry on further career development, is based on ideas from different theories. According to labour market segmentation theory, the labour market is divided into a primary and secondary segment, mainly differing in terms of stability characteristics (Doeringer & Piore, 1971). The primary segment is characterized by jobs with relatively high status and wages, good working conditions, job security, and opportunities to move up. Jobs in the secondary segment, conversely, have low status, poor wages and working conditions, and often lack job security and career opportunities (see also Kalleberg et al., 2000). Temporary jobs are particular examples of jobs in the secondary segment, whereas standard, permanent jobs belong to the primary segment. It is argued that mobility between the primary and secondary segment is hardly possible. People starting in the less favourable segment hence barely have a chance to move to the primary segment. From this point of view, entering the labour market in temporary employment implies being in an unstable, insecure labour market situation for a longer time, possibly even the whole career, and having to change jobs often. As wages are low and chances for upward mobility scarce in the secondary segment, entering in a temporary job also entails (enduring) low wages and low job status.

According to signalling theory (Spence, 1973), employers use certain signals of future employees in their recruiting decisions in case relevant information (such as work experience) is absent. Employment flexibility at labour market entry, in this respect, can be a signal to employers that the person concerned lacks some relevant work capacities. The flexible entry job hence works as a stigma from which a future employee might suffer the rest of his or her career, for instance, by repeatedly getting fixed-term contracts or jobs with lower occupational status and wages. Being persistently in such a marginal labour market situation may also make an employee less confident in finding a stable job in the future. This could complicate an 'escape' from the secondary segment even more.

Lastly, human capital theory (Becker, 1964) assumes that employment flexibility at labour market entry negatively affects the opportunities to develop new working skills and knowledge and may even lead to a loss of productive skills and a lack of work experience. Flexible entrants are thus less attractive for employers, because they need more training (and hence require more investments) to catch up with standard entrants. Employers will 'compensate' this lack of human capital by offering lower skilled jobs and paying lower wages.

To summarize, the theories outlined above all lead to the entrapment hypothesis that temporary employment at labour market entry negatively affects the early career of school-leavers in the Netherlands (H1).

5.2.2 Why the negative consequences of employment flexibility at labour market entry should diminish

Temporary employment at labour market entry may be unfavourable for the subsequent career, as mentioned above, but is this effect equally strong during the early career? Temporary contracts can be considered as a kind of extended probationary period, which can serve as a screening device for employers (Wang & Weiss, 1998). As labour market entrants lack relevant work experience, it is hard for employers to value their skills and productivity. Before being offered a permanent contract, a young worker gets the opportunity to prove his or her work capacities in the temporary job. If the performances meet the expectations of the employer, the temporary contract may be converted into a permanent one. In addition, it is likely that initial lower occupational status and wages, associated with a temporary entry job, converge to the wage and status of people starting in permanent employment after successful screening. The 'penalty' of temporary employment at labour market entry may hence be strongest in the very beginning of the early career and diminishes afterwards or might even disappear. The stepping-stone hypothesis reads, accordingly, that the negative effects of temporary employment at labour market entry on the early career of school-leavers in the Netherlands diminish after a few years in the labour market (H2).

5.2.3 Educational heterogeneity in the negative consequences of employment flexibility at labour market entry

There are arguments for expecting a heterogeneous effect of employment flexibility at labour market entry on the early career, along the line of educational credentials. It is argued, for instance, that particularly socially deprived groups of young workers are 'victims' of labour market flexibilization (Breen, 1997; Kalleberg, 2009). Due to a process of skill-biased technological change, the current labour market is characterized by more highly skilled jobs (Katz & Autor, 1999). Such jobs are hard to submit to direct supervision, because of the specialized knowledge of the employee holding the job (Breen, 1997). This explains why employers are more willing and forced to offer higher educated long-term employment contracts and transfer risks and uncertainties in the labour market to the more easily replaceable lower educated. So, the flexibilization of the labour market disproportionately affects those who already have a weaker position in the labour market. Accordingly, it is expected that lower educated flexible entrants run higher risks of repeated employment flexibility in the early career.

In addition, it is very plausible that the nature of flexible employment relations differ among lower and higher educated entrants. Labour market segmentation theory is based on the assumption that there is a link between the allocation mechanisms in the various labour market segments and the required skills. Since a minimum qualification level is required to gain access to the primary segment of the labour market, it can be expected that lower educated labour market entrants are mainly found in the secondary segment. As mobility between both segments is hardly possible, it is plausible that lower educated

young workers who entered the secondary labour market segment are likely to be entrapped in that segment, implying that the adverse effects of employment flexibility at labour market entry on the subsequent career are stronger for lower educated than for higher educated labour market entrants (Gebel, 2010). Temporary jobs among higher educated, conversely, might be more a conscious choice and are not necessarily of low quality (de Jong, De Cuyper, De Witte, Silla & Bernhard-Oettel, 2009). Therefore, it is expected that the negative effects of temporary employment at labour market entry on the early career are smaller for higher educated school-leavers than for lower educated school-leavers in the Netherlands (H3).

5.2.4 Previous evidence

Previous evidence on the impact of temporary employment at labour market entry on the early career of young workers has been mixed. For (West-)Germany, various authors (Gash, 2008; Gebel, 2010; McGinnity et al., 2005; Scherer, 2004) found that starting in temporary employment does not seem to clearly signal a 'bad start', as it does not significantly reduce one's career chances. For instance, McGinnity et al. (2005) showed that after five years in the labour market the unemployment rates of those starting in temporary employment do not significantly differ from those starting in permanent jobs. Gebel (2010) obtained similar results: Temporary entrants experience higher wage penalties and risks of repeated temporary employment, but these effects diminish after five years. In addition, he concluded that in Germany the effects of temporary employment at labour market entry appear to be strongest for tertiary educated, suggesting for the integration perspective among this group in particular.

The results on other European countries seem to provide evidence for the stepping-stone hypothesis as well. Data on both France, Italy, Denmark, and Great Britain revealed that a flexible labour market entry has no enduring negative effects on the subsequent career (Gash, 2008; Scherer, 2004). Only in Great Britain, very short job spells appear to lead to a lower status position later on (Scherer, 2004).

A study on Poland showed that both the entrapment and stepping-stone perspective cannot be convincingly supported (Baranowska, Gebel & Kotowska, 2011). In Poland, fixed-term contracts at labour market entry seem to function as a screening device, helping employers to identify the best workers, providing at least some evidence for the stepping-stone hypothesis.

For Spain, it was observed that temporary employment at labour market entry coincides with the experience of subsequent job instability (Iannelli & Soro-Bonmati, 2003), in particular among lower skilled individuals. Furthermore, low transition rates into permanent contracts were found for Spain (Golsch, 2003). These findings lend support for the entrapment scenario. Also for the Netherlands the consequences of starting in temporary employment for the subsequent career seem to be negative, and – although decreasing over time – relatively long lasting, which corroborates the entrapment hypothesis (Steijn et al. 2006; Wolbers,

2010). These conclusions, however, are based on studies using either a cross-sectional research design (Wolbers, 2010) or a retrospective one (Steijn et al., 2006), which could involve problems of causality and recall bias, respectively. In this chapter, it is aimed to provide a more comprehensive picture of the early career effects associated with a flexible entry in the Dutch labour market by using a prospective research design. More specifically, the purpose is to find out to what extent empirical evidence for the entrapment hypothesis is still found, as earlier findings for the Netherlands suggest. Additionally, the possible heterogeneous effect of education is taken into account.

5.3 DATA AND MEASUREMENTS

5.3.1 Data and analytical sample

For the empirical analysis, the OSA Labour Supply Panel was used. This panel study, providing detailed information on (changes in) the labour market position of the Dutch (potential) work force, started in 1985 and is repeated every two years since 1986. In every survey, about 4,500 people aged 16 through 64 and not being fulltime student have been interviewed, together representing over 2,000 households. In case a panel member does not wish to or is not able to participate in later surveys, this person was replaced by newly selected panel members and/or households, who resemble the original participants as much as possible with regard to characteristics as age, sex, family size, or region of residence. In this chapter, data are used from 1988 until 2008.

School-leavers are defined as individuals who indicated not to be in fulltime education in one interview (t), whereas they were two years earlier ($t-2$). Although the exact moment of leaving daytime education is unknown, this is the most accurate estimate that can be made. All school-leavers left school between 1986 and 2008. In order to focus on young workers, individuals older than 34 at the time of leaving education are excluded from the analysis,²¹ as well as people in military services after leaving education. The early career is defined as the first eight years in the labour market after leaving daytime education. In addition, only people being employed at the first moment of interview have been investigated.²²

21 This rather broad age selection is quite common in research on school-to-work transitions (see, for instance, Müller & Gangl, 2003), given that many students finish their tertiary education studies when they are well into their thirties. Nevertheless, the decision to use this particular age limit is somewhat arbitrary.

22 It is likely that not working (that is, being un- or non-employed) at labour market entry also negatively affects the early career of young workers. These effects are known in the literature as scar effects (see, among others, Arulampalam, Gregg & Gregory, 2001; Gangl, 2006; Luijckx & Wolbers, 2009). However, the main focus in this chapter is on the detrimental effects of temporary employment at labour market entry. So, labour market entrants, who were not working at the first moment of interview, were excluded. This enabled to include characteristics of the first job in the regression models (that are by definition missing for those who were un- or non-employed at the first moment of interview).

The early career is studied by changes in the employment situation, occupational status development, and income growth. The employment situation refers to the situation two, four, six, and eight years *after* labour market entry, resulting in an analytical sample of 473 respondents. Occupational status and income are studied *from* the first observation point, that is the situation at labour market entry *and* the situation two, four, six, and eight years after entry. This inclusion of the first labour market situation results in a larger analytical sample, that is of 973 and 899 respondents, respectively.

5.3.2 Dependent variables

Employment situation is divided into permanent employment (a job with a permanent contract or a temporary job with prospect [provided by the employer] on a permanent contract²³), temporary employment (a job with a temporary contract without prospect on a permanent contract, temporary agency work, and on-call employment), and unemployment. As indicated above, this variable is measured two years ($t+2$), four years ($t+4$), six years ($t+6$), and eight years ($t+8$) after labour market entry, and both temporary employment and unemployment are contrasted with permanent employment. *Occupational status* is measured according to the International Socio-Economic Index (ISEI) of Ganzeboom, de Graaf, and Treiman (1992), ranging from 10 to maximally 90. *Income* is measured as the log net hourly wage. As wages usually grow over the years due to currency inflation, the log net hourly wages are standardized within years. Both occupational status and income are measured at labour market entry (t) and every two years after (until eight years after labour market entry).

5.3.3 Independent variables

Several independent variables are included in the analysis. First of all, this regards the *employment situation of the first job*, which distinguishes temporary jobs from permanent ones (reference category).²⁴ *Duration* refers to the time passed (in years) since labour market entry. It is a linear variable²⁵ and varies between two and eight years after labour market entry with regard to the analysis of changes in the employment situation. Regarding the analysis of occupational status development and income growth, it ranges from the time at labour market entry through eight years after. *Level of education* is

classified in three distinct categories: lower educated (those with primary [LO], lower secondary general [MAVO], or lower secondary vocational [LBO] education), intermediate educated (those with intermediate secondary general [HAVO], higher secondary general [VWO], or intermediate secondary vocational [MBO] education), and higher educated people (those with higher vocational [HBO] or university [WO] education). Both duration and level of education are included as time-varying covariates.

5.3.4 Control variables

As control variables, *sex* (indicating females versus males) and *ethnicity* (indicating non-natives versus natives) are included. *Labour market entry cohort* refers to the year of leaving daytime education, grouped into the following categories: 1986-1989 (reference category), 1990-1993, 1994-1997, 1998-2001, and 2002-2008.²⁶ In addition, the current *aggregate unemployment rate* is included, based on figures from Statistics Netherlands (CBS, 2011).

To assess the effects of temporary employment at labour market entry on the early career of young workers, several job and company characteristics of the first job are statistically controlled for. This way, selection into less or more prosperous labour market sectors may be filtered out, which could subsequently affect early career development. *Occupational status of the first job*, which is also based on ISEI, is only included in the analysis on changes in the employment situation. *Type of industry of the first job* is measured according to the classification of Stinchcombe (1979), distinguishing between traditional primary or classical capitalist industries, competitive industries (reference category), large-scale engineering based industries, small competitive industries, professional service industries, and bureaucratic service industries. A category of other industry or unknown type of industry has been added. Finally, *firm size* related to the first job is included as a linear variable, to control for the fact that temporary entrants in external labour markets (prevailing in small companies) have worse career opportunities possibly (Baron & Bielby, 1984).

Table 5.1 presents a statistical description of all variables included in the analysis.

²³ One year temporary contracts are often used by employers in the Netherlands as an extended probationary period after which a permanent contract is usually offered. For this reason, it is quite understandable that a temporary job with prospect on a permanent contract is considered as permanent employment here.

²⁴ Once again, permanent jobs include temporary jobs with prospect on a permanent contract (see also footnote 23).

²⁵ Also non-linear specifications of the duration variable (including dummy variables) have been tested, but these alternatives did not lead to better fitting models nor to other results. So, we decided to estimate the duration effect (and its statistical interactions with other variables) parsimoniously through a linear term.

²⁶ With regard to the analysis of changes in the employment situation, the last category refers to the period 2002-2006.

Table 5.1 Descriptive statistics of the dependent and independent variables.

	N	Distribution	Range	Mean	Std. Dev.
<i>Dependent variables</i>					
Employment situation	901				
Permanent employment		87%			
Temporary employment		9%			
Unemployment		3%			
Occupational status	1,831		16 - 88	44.55	14.17
Standardized (log) hourly wage	1,621		-3.76 - 8.04	0.01	0.97
<i>Independent variables (level 1)</i>					
Duration since labour market entry (in years)	1,831		0 - 8	1.72	2.24
Unemployment rate	1,831		1.86 - 7.72	5.27	1.75
<i>Independent variables (level 2)</i>					
Employment situation of first job	973				
Permanent employment			0/1	0.71	
Temporary employment			0/1	0.29	
Labour market entry cohort	973				
1986-1989			0/1	0.17	
1990-1993			0/1	0.25	
1994-1997			0/1	0.24	
1998-2001			0/1	0.13	
2002-2008			0/1	0.21	
Sex	973				
Male			0/1	0.47	
Female			0/1	0.53	
Ethnicity	973				
Native			0/1	0.97	
Non-native			0/1	0.03	
Level of education	973				
Low			0/1	0.31	
Intermediate			0/1	0.44	
High			0/1	0.25	
Occupational status of first job	473		16 - 88	43.82	13.17
Occupational status of first job unknown	473		0/1	0.05	
Type of industry of first job	973				
Traditional primary/Classical capitalist industry			0/1	0.05	
Competitive industry			0/1	0.12	
Large-scale engineering based industry			0/1	0.05	
Small competitive industry			0/1	0.29	
Professional service industry			0/1	0.21	
Bureaucratic service industry			0/1	0.07	
Other industry or industry unknown			0/1	0.21	
Firm size of first job	973		1 - 10,000	215	723
Firm size of first job unknown	973		0/1	0.08	

Note: The statistics of the independent variables are provided for the largest analytical sample.

Source: Labour Supply Panel (1988-2008).

5.4 RESULTS

5.4.1 Flexible labour market entry and changes in the employment situation

Changes in the employment situation two, four, six, and eight years after labour market entry are considered in Table 5.2. As all the observations (level-1 units) are nested within respondents (level-2 units), two-level multinomial logistic regression models have been estimated in which both temporary employment and unemployment are contrasted with permanent employment. In Model 1, temporary employment at labour market entry, duration since labour market entry, and level of education are included, statistically controlled for sex, ethnicity, labour market entry cohort, and current unemployment rate. In Model 2, three first job characteristics are added: occupational status, type of industry, and firm size. In Model 3, also the statistical interaction term between temporary employment at labour market entry and duration is included.²⁷ Lastly, the statistical interaction term between temporary employment at labour market entry and level of education is added in Model 4. An additional table presenting the results of the multilevel multinomial logistic regression analysis on temporary employment versus unemployment is provided in the Appendix (Table A4).

Model 1 on temporary versus permanent employment shows that labour market entrants who start in temporary employment are more likely to have a temporary job (versus a permanent one) later on in the early career than those who enter permanent employment ($b=1.612$). The model on unemployment versus permanent employment shows that temporary employment at labour market entry also enlarges the likelihood to be unemployed in the early career ($b=1.621$). A flexible start in the Dutch labour market hence negatively affects the early career in terms of more employment precarity, as H1 presumed. These effects still exist after inclusion of first job characteristics, as Model 2 shows.

In Model 3, the statistical interaction term between temporary employment at labour market entry and duration since labour market entry is added. The results reveal that the penalty of a flexible entry is strongest at the start of the career ($b=2.409$ with regard to temporary versus permanent employment and $b=3.611$ with regard to unemployment versus permanent employment). Every additional year in the labour market decreases the penalty of starting in temporary employment with 0.261 and 0.588, respectively. In the case of temporary employment, however, the interaction term is not significant. With regard to unemployment, this finding implies that the negative effect of entering the labour market in temporary employment has vanished after about six years ($3.611/0.588=6.141$). It supports H2, which stated that the negative effects of temporary employment at labour market entry on the early career of school-leavers in the Netherlands disappear after a few years in the labour market.

²⁷ Duration could not be included as a random slope in Models 3 and 4, as these models did not converge. It is therefore included as a fixed effect.

Table 5.2 Multilevel multinomial logistic regression of employment situation
(from two years after labour market entry): unstandardized coefficients
($N_{\text{observations}} = 901$; $N_{\text{respondents}} = 473$).

	Temporary versus permanent employment					Unemployment versus permanent employment			
	Model 1	Model 2	Model 3	Model 4		Model 1	Model 2	Model 3	Model 4
Intercept	-4.111**	-4.105**	-4.348**	-4.272**	Intercept	-6.113**	-5.282**	-5.981**	-5.489**
Employment situation of first job					Employment situation of first job				
Permanent employment	ref.	ref.	ref.	ref.	Permanent employment	ref.	ref.	ref.	ref.
Temporary employment	1.612**	1.577**	2.409**	2.249**	Temporary employment	1.621**	1.588**	3.611**	3.149**
Duration since labour market entry (in years)	-0.047	-0.036	0.045	0.046	Duration since labour market entry (in years)	0.062	0.063	0.259~	0.244~
Labour market entry cohort					Labour market entry cohort				
1986-1989	ref.	ref.	ref.	ref.	1986-1989	ref.	ref.	ref.	ref.
1990-1993	0.712~	0.759~	0.764*	0.763~	1990-1993	-0.028	0.037	0.080	-0.121
1994-1997	-0.199	-0.074	-0.110	-0.115	1994-1997	0.421	0.576	0.462	0.282
1998-2001	0.751	0.522	0.531	0.528	1998-2001	0.381	-0.025	0.057	-0.196
2002-2006	1.263*	0.990	0.985	0.971	2002-2006	0.526	0.289	0.222	0.250
Sex					Sex				
Male	ref.	ref.	ref.	ref.	Male	ref.	ref.	ref.	ref.
Female	-0.041	0.016	0.019	0.017	Female	0.085	0.201	0.249	0.299
Ethnicity					Ethnicity				
Native	ref.	ref.	ref.	ref.	Native	ref.	ref.	ref.	ref.
Non-native	0.657	0.562	0.537	0.524	Non-native	0.411	0.527	0.531	0.569
Level of education					Level of education				
Low	ref.	ref.	ref.	ref.	Low	ref.	ref.	ref.	ref.
Intermediate	0.001	0.012	-0.018	-0.071	Intermediate	-0.187	-0.268	-0.360	-0.915
High	0.228	0.381	0.334	0.225	High	-0.791	-0.591	-0.672	-0.307
Occupational status of first job		-0.007	-0.006	-0.007	Occupational status of first job		-0.015	-0.012	-0.016
Type of industry of first job					Type of industry of first job				
Traditional primary/Classical capitalist industry		-0.650	-0.047	-0.044	Traditional primary/Classical capitalist industry		-1.406	-1.430	-1.351
Competitive industry		ref.	ref.	ref.	Competitive industry		ref.	ref.	ref.
Large-scale engineering based industry		0.336	0.291	0.311	Large-scale engineering based industry		0.292	0.219	0.166
Small competitive industry		0.272	0.209	0.210	Small competitive industry		-0.189	-0.367	-0.433
Professional service industry		-0.031	-0.057	-0.048	Professional service industry		0.100	-0.085	-0.116
Bureaucratic service industry		-0.081	-0.057	-0.053	Bureaucratic service industry		-0.905	-0.719	-0.824
Other industry or industry unknown		0.602	0.578	0.576	Other industry or industry unknown		0.315	0.248	0.193
Firm size of first job		-0.000	-0.000	-0.000	Firm size of first job		-0.000	-0.000	-0.000
Unemployment rate	0.167	0.162	0.161	0.156	Unemployment rate	0.372*	0.334~	0.321~	0.317~
Temporary employment*Duration			-0.261	-0.259*	Temporary employment*Duration			-0.588*	-0.562*
Temporary employment*Intermediate				0.192	Temporary employment*Intermediate				1.155
Temporary employment*High				0.273	Temporary employment*High				-0.957
Variance	1.093**	1.299**	1.281**	1.322**	Variance	1.110~	1.144	1.230~	1.295~

** $p < 0.01$; * $p < 0.05$; ~ $p < 0.10$ (two-tailed test). Coefficients of 'occupational status of first job unknown' and 'firm size of first job unknown' not shown.

Source: Labour Supply Panel (1988-2008).

In Model 4, also the interactions between temporary employment at labour market entry and level of education are estimated. None of the included interaction terms are significant. This implies that H3 cannot be corroborated.

5.4.2 Flexible labour market entry and occupational status development

To analyse the development in occupational status during the early career, growth curve modelling is applied. This implies that two-level linear regression models are estimated, determining the effect of temporary employment at labour market entry on occupational status attainment during the first eight years in the labour market (see Table 5.3).

Model 1 shows that starting in temporary employment coincides with a job during the early career in which, on average, less occupational status is attained ($b=-2.038$). Once again, this finding lends considerable support for H1. This effect largely remains when job characteristics are included (Model 2) and the slope of the duration variable is set random (see Model 3).

Model 4 determines whether the initial negative effect of temporary employment disappears during the early career. At the start of the career, the effect of temporary employment on occupational status attainment is strongest ($b=-2.387$), but after some three years in the labour market ($2.387/0.834$) it has disappeared entirely and then becomes, surprisingly enough, positive.²⁸ This finding gives support for H2, although the positive effect of temporary employment after three years in the labour market was not predicted. From Model 5, it can be concluded that there are no significant differences between levels of education in the effect of temporary employment at labour market entry on occupational status development during the early career. This implies that H3, once again, cannot be supported.

5.4.3 Flexible labour market entry and income growth

Table 5.4 presents the results of the two-level linear regression models of income growth (measured in terms of standardized log net hourly wages). The results of Model 1 reveal a nearly significant negative effect of temporary employment at labour market entry on income growth during the early career ($p=0.13$, two-sided). The same holds for Models 2 and 3. This effect becomes marginally significant ($p=0.08$, two-sided) in Model 4, thereby giving some support for H1. At the start of the career, labour market entrants in temporary employment earn 11 per cent less than those in permanent employment. Although the initial wage disadvantage for individuals with a temporary first job seems to disappear after a few (that is, five) years, as predicted by H2, the estimated interaction term is not significant. Also the interaction terms between temporary employment at labour market

²⁸ Also when other specifications (dummy variables or a squared function) of the duration variable are used, the effect of temporary employment at labour market entry becomes positive after three years. So, we can be fairly confident of the reality of such an effect, instead of it being an artefact of the linear specification of the duration variable.

Table 5.3 Early career development in occupational status. Random effects linear model: unstandardized coefficients ($N_{\text{observations}} = 1,831$; $N_{\text{respondents}} = 973$).

	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	36.526**	34.875**	34.704**	34.655**	34.595**
Employment situation of first job					
Permanent employment	ref.	ref.	ref.	ref.	ref.
Temporary employment	-2.038**	-1.537*	-1.634*	-2.387**	-2.165
Duration since labour market entry (in years)	0.227*	0.241*	0.274*	0.093	0.092
Labour market entry cohort					
1986-1989	ref.	ref.	ref.	ref.	ref.
1990-1993	-0.696	-0.729	-0.795	-0.766	-0.764
1994-1997	-1.844~	-1.528	-1.621	-1.538	-1.540
1998-2001	0.820	0.376	0.435	0.548	0.536
2002-2008	-0.097	-0.093	-0.030	0.061	0.064
Sex					
Male	ref.	ref.	ref.	ref.	ref.
Female	4.168**	2.844**	2.923**	2.946**	2.950**
Ethnicity					
Native	ref.	ref.	ref.	ref.	ref.
Non-native	3.376~	3.148	3.261~	3.164	3.180
Level of education					
Low	ref.	ref.	ref.	ref.	ref.
Intermediate	5.552**	4.400**	4.150**	4.187**	4.253**
High	17.021**	14.816**	14.598**	14.600**	14.726**
Type of industry of first job					
Traditional primary/Classical capitalist industry		-4.699**	-4.670**	-4.666**	-4.675**
Competitive industry		ref.	ref.	ref.	ref.
Large-scale engineering based industry		3.564*	3.688*	3.726*	3.703*
Small competitive industry		2.513*	2.526*	2.568*	2.557*
Professional service industry		6.492**	6.670**	6.717**	6.701**
Bureaucratic service industry		10.056**	10.233**	10.170**	10.156**
Other industry or industry unknown		3.638*	3.779*	3.823*	3.819*
Firm size of first job		-0.000	-0.000	-0.000	-0.000
Unemployment rate	-0.062	-0.090	-0.051	-0.027	-0.026
Temporary employment*Duration				0.834**	0.835**
Temporary employment*Intermediate					-0.249
Temporary employment*High					-0.471
Observation level					
σ^2	64.183**	63.204**	53.574**	53.615**	53.612**
Respondent level					
σ^2	74.235**	67.724**	75.680**	75.410**	75.404**
σ intercept - duration			-2.877~	-2.734~	-2.721~

** $p < 0.01$; * $p < 0.05$; ~ $p < 0.10$ (two-tailed test). Coefficient of 'firm size of first job unknown' not shown.

Source: Labour Supply Panel (1988-2008).

Table 5.4 Early career development in standardized (log) hourly wage. Random effects linear model: unstandardized coefficients.(N_{observations} = 1,621; N_{respondents} = 899).

	Model 1	Model 2	Model 3	Model 4	Model 5
Intercept	-0.344**	-0.378**	-0.331*	-0.331*	-0.341*
Employment situation of first job					
Permanent employment	ref.	ref.	ref.	ref.	ref.
Temporary employment	-0.078	-0.076	-0.067	-0.107~	-0.074
Duration since labour market entry (in years)	0.107**	0.108**	0.113**	0.108**	0.108**
Labour market entry cohort					
1986-1989	ref.	ref.	ref.	ref.	ref.
1990-1993	-0.329**	-0.332**	-0.315**	-0.314**	-0.315**
1994-1997	-0.514**	-0.496**	-0.484**	-0.483**	-0.484**
1998-2001	-0.495**	-0.508**	-0.486**	-0.483**	-0.486**
2002-2008	-0.650**	-0.684**	-0.670**	-0.667**	-0.667**
Sex					
Male	ref.	ref.	ref.	ref.	ref.
Female	-0.026	-0.074	-0.098	-0.099*	-0.098*
Ethnicity					
Native	ref.	ref.	ref.	ref.	ref.
Non-native	0.422**	0.370**	0.317*	0.315*	0.318*
Level of education					
Low	ref.	ref.	ref.	ref.	ref.
Intermediate	0.542**	0.496**	0.464**	0.464**	0.472**
High	1.262**	1.104**	1.060**	1.059**	1.083**
Type of industry of first job					
Traditional primary/Classical capitalist industry		0.068	0.031	0.029	0.031
Competitive industry		ref.	ref.	ref.	ref.
Large-scale engineering based industry		0.088	0.070	0.077	0.072
Small competitive industry		-0.094	-0.095	-0.091	-0.092
Professional service industry		0.311**	0.274**	0.279**	0.276**
Bureaucratic service industry		0.224*	0.209*	0.209*	0.206*
Other industry or industry unknown		0.210*	0.181*	0.187*	0.187*
Firm size of first job		0.000	0.000	0.000	0.000
Unemployment rate	-0.000	-0.003	-0.005	-0.004	-0.004
Temporary employment*Duration				0.022	0.023
Temporary employment*Intermediate					-0.026
Temporary employment*High					-0.088
Observation level					
σ^2	0.441**	0.435**	0.365**	0.366**	0.367**
Respondent level					
σ^2	0.159**	0.143**	0.294**	0.292**	0.290**
σ intercept - duration			-0.044**	-0.044**	-0.044**

** p<0.01; * p<0.05; ~ p<0.10 (two-tailed test). Coefficient of 'firm size of first job unknown' not shown.

Source: Labour Supply Panel (1988-2008).

entry and level of education are not significant (see Model 5). This finding gives further evidence that H3 cannot be corroborated.

5.5 CONCLUSION AND DISCUSSION

The empirical results of this chapter unambiguously lead to the conclusion that school-leavers who enter the Dutch labour market in a temporary job are more likely to stay in temporary employment, become unemployed, attain lower occupational status, and earn less income in the early career than those who start in a permanent job. The detrimental effects of temporary employment at labour market entry, however, are only temporary and diminish after some years in the labour market. Although not all relevant estimates are significant, the results unequivocally go into the same, expected direction. So, we can be fairly confident of the reality of scar effects of temporary employment, but the findings undermine the entrapment hypothesis, which claims long-lasting, negative career consequences of a flexible start. Instead of that the stepping-stone hypothesis is more convincing, given that the negative effects of temporary employment at labour market entry on the early career of school-leavers are persistent, but not permanent.

One further aim of this chapter was to study the predicted differential effect of education with regard to the early career effects of temporary employment at labour market entry among school-leavers in the Netherlands. In the empirical analysis, however, no single indication was found for this differential effect. In fact, the negative consequences of temporary employment at labour market entry for the early career do not differ between lower and higher educated school-leavers. Apparently, in the Netherlands, long term risks and uncertainties in the career are not directly transferred to the more vulnerable, lower educated part of the labour force in particular. Although the message that stems from these results is rather neutral – that is, possible concerns that education might operate as a contributor to cumulative labour market disadvantages cannot be confirmed, nor that education (alone) is able to protect from the negative consequences of early employment flexibility –, one has to be careful in concluding that level of education is not relevant when entering the labour market in a temporary job. In fact, level of education strongly determines the likelihood of starting in a temporary job, but the effect of temporary employment at labour market entry on the early career mediates the role of level of education and is not moderated by it.

The conclusion that the results in this chapter point towards the integration rather than the entrapment scenario corresponds to findings from comparable studies on other European countries (see, for instance, Gash, 2008). Our results, however, contrast previous findings for the Netherlands (Steijn et al., 2006; Wolbers, 2010) that suggested that temporary employment at labour market entry seems to have long-lasting, negative consequences for the further career. Apart from differences in the design – in this chapter

we used a prospective panel study, whereas earlier studies analysed cross-sectional or retrospective data, in which recall bias may have occurred –, these contradictory findings for the Netherlands may be related to a different treatment of unobserved heterogeneity. Although there is really no simple way to tackle this issue, we tried to remove any possible bias that results from the endogeneity of the labour market entry position in this chapter by including specific covariates in order to avoid at least most of the selection problem. In addition to controlling for important socio-demographic characteristics of individuals that largely determine their opportunities in the labour market (level of education, gender, ethnicity, and so on), we used the aggregate unemployment rate as an exogenous labour market indicator to get around with the endogeneity problem. Nevertheless, it remains possible that some confounding factors still have been left out, thereby overestimating the true scar effects of temporary employment. Given that the findings suggest that the effects of temporary employment at labour market entry fade out during the early career, we do not consider the possible bias to be a crucial objection to our analysis (see also Skans [2011], who finds a similar time pattern in an analysis of unemployment scarring and makes an argument in this direction).

A final remark concerns the measurement of employment flexibility. Although various types of employment flexibility (temporary contracts, temporary agency work, on-call employment, and so on) have shown not to be equally detrimental for school-leavers when entering the Dutch labour market (de Vries & Wolbers, 2005), it was not possible to distinguish between types of flexible employment relations in the empirical analysis of this chapter. First of all, the classification of the various types of flexible employment relations differed between the moments of interview, which forced us to pool all types together into one category (on the basis of the lowest common denominator). Second, given the relatively small sample sizes of school-leavers, it is very likely that the statistical power would have been too low to detect any statistically significant differences between the various types of flexible employment relations. Nevertheless, future research should focus on solving these issues in order to find out whether some types of temporary employment at labour market entry are less detrimental for the early career of school-leavers than others.

6

The impact of macro-economic adversity and employment insecurity on family formation in the Netherlands²⁹

²⁹ A slightly different version of this chapter is conditionally accepted for publication in *European Journal of Population* (de Lange, Wolbers, Gesthuizen & Ultee, 2013). A Dutch version has been published in R. van Gaalen, A. Goudswaard, J. Sanders & W. Smits (Eds.), *Dynamiek op de Nederlandse Arbeidsmarkt: De focus op flexibilisering*. The Hague: Centraal Bureau voor de Statistiek (de Lange & Wolbers, 2013). An earlier version of this chapter was presented at the 'Nederlandse Demografie Dag 2011' of the Netherlands Demographic Society (NVD) in Utrecht, the Netherlands, November 2011, at the Spring Meeting of the ISA RC28 in Hong Kong, China, May 2012, at the 'Dag van de Sociologie' of the Dutch and Flemish Sociology Association in Nijmegen, the Netherlands, May 2013, and at the 21st workshop of the European Research Network on Transitions in Youth in Berlin, Germany, September 2013.

ABSTRACT

In this chapter, we study the impact of macro-economic adversity and employment insecurity of young individuals and their partners on family formation in the Netherlands between 1970 and 2000. Using data of the Family Survey Dutch Population, we analyse the monthly hazard rates of experiencing the transition into first union ([un]married cohabitation), marriage, and parenthood after the start of the relationship of 365 male and 364 female partners by applying piecewise-constant exponential models. The results show that macro-economic uncertainties, i.e. high unemployment rates, lead to postponement of the first union and marriage, but not of the first child. In addition, it is found that this relationship is not interpreted by individual-level employment insecurity, i.e. temporary employment or unemployment, which does not seem to prevent people from making long-term family commitments. Although hypothesized, it is not found that the negative effects of macro- and micro-level insecurities on family formation reinforce each other or that they vary between individuals with different educational qualifications.

6.1 INTRODUCTION

6.1.1 Demographic developments in industrialized countries

Since the mid-1960s, demographic behaviour in Western-European countries has changed considerably (Lesthaeghe & van de Kaa, 1986): i.e. marriage and fertility rates declined rather strongly due to the rise in mean age at first marriage and parenthood, while there was a visible increase in divorce and separation rates, cohabitation rates, and the number of extramarital births. The invention of efficient methods of contraception, like the pill, obviously played an important role in these demographic changes. Together, they are known as the 'Second Demographic Transition' (Lesthaeghe & van de Kaa, 1986; van de Kaa, 1987). During the 1970s and 1980s, macro-demographic features of this transition rapidly spread to other industrialized countries. To explain this demographic shift, two types of explanations are initially discussed in the literature, i.e. cultural and structural explanations. In this chapter, we study individual choices with regard to family formation from a more recently introduced perspective, i.e. by focusing on economical explanations, both at the macro and micro level. Before elaborating on these explanations, we briefly set out the cultural and structural explanations.

6.1.2 Cultural and structural explanations for demographic changes

Cultural explanations comprise changes in value systems in the past decades, due to secularization and post-materialism or modernization (Inglehart, 1977, 1997). Whereas prevailing norms and values, mainly imposed by the church, were oriented towards the family, new values accentuate the pursuit of personal, non-material needs and the importance of self-development and self-fulfilment (Deboosere, Lesthaeghe, Surkyn, Boulanger & Lambert, 1997; van de Kaa, 2002; Liefbroer & Puy, 2005). Family formation among young individuals is hence not characterized by early marriage and high fertility nowadays, but rather by cohabitation before marriage and postponement of parenthood (Liefbroer & Puy, 2005).

Values and attitudes have shifted away from the family in recent decades, but also the need to start a family has decreased accordingly, mainly because of increased economic autonomy of women due to structural developments. Globalization involved increasing competition between economies around the world, which resulted in a greater demand for knowledge-intensive work and expansion of the service sector in industrialized countries (Berman et al., 1998; Mills & Blossfeld, 2005). Educational credentials hence became increasingly important in this 'upgraded' labour market, which translated into educational expansion among men and women in industrialized countries (Bell, 1976; Klijzing, 2005). From the late 1980s, this was followed by increasing female labour market participation. These developments induced that an increasing number of women has become economically independent (Becker, 1981), reducing their need to marry early and to take the role of housewife or mother. This explains why individuals marry at a later age

and marriage and fertility rates declined in the last decades (Deboosere et al., 1997; Hannum & Buchmann, 2003).

6.1.3 Economic insecurities as additional explanation?

Together, cultural and structural explanations suggest that family formation in the second half of the 20th century has become much more of a conscious decision, in which self-development and economic autonomy are important determinants of postponement of marriage and parenthood. In this chapter, we discuss the role of a less often studied, though increasingly suggested factor in explaining demographic trends, i.e. economic insecurities (see, for instance, Kreyenfeld, Andersson & Pailhé, 2012; Sobotka, Skirbekk & Philipov, 2011). In general, it is assumed that poor economic conditions, for instance marked by high unemployment rates, create negative signals with regard to labour market prospects. Starting a family under such circumstances is evaluated as too risky, due to the economic insecurities associated with unfavourable labour market prospects (Neels, 2010; Schmitt, 2008). Until the end of the 1960s, the economic situation in European countries was prosperous, reflected by extremely low unemployment levels (Blanchard, 2006). Due to the economic crises in the 1970s and 1980s, however, unemployment rates increased enormously, reaching a peak in 1983. Although unemployment rates decreased again afterwards, the prosperous situation of the late 1960s and early 1970s was never reached again. Economic developments could hence form an additional explanation for demographic behaviour since the 1970s in industrialized countries, next to cultural and structural factors.

6.1.4 Research questions

In this chapter, we first investigate to what extent macro-economic conditions determine demographic developments by posing the following research question: *To what extent do macro-economic insecurities decrease the likelihood of family formation among young individuals and their partner?* This macro-level effect, however, is likely to be channelled through individual employment insecurity: Economic adversity increases the likelihood to be unemployed or temporarily employed, which leads to the actual experience of economic uncertainty making individuals postpone family formation. The next research question hence is: *To what extent can the negative relationship between macro-economic insecurities and the likelihood of family formation be explained by employment insecurity?* Additionally, it is questioned to what extent macro- and micro-level insecurities reinforce each other, as individuals with an insecure employment position could feel particularly discouraged to make long-term family commitments if economic prospects are bad, i.e.: *To what degree is the negative effect of employment insecurity on the likelihood of family formation strengthened by macro-economic insecurities?* Finally, effects of macro- and micro-level insecurities are likely to be differentiated by educational qualifications, due to differences in opportunity costs associated with family formation (Gebel & Giesecke, 2009;

Liefbroer & Corijn, 1999; Sobotka et al., 2011). It is hence questioned *to what extent the negative effects of macro-economic insecurities and employment insecurity on the likelihood of family formation vary between men and women with different educational qualifications.*

To answer these research questions, we focus on the Netherlands, analysing retrospective data of the Family Survey Dutch Population collected in 2000 (de Graaf, de Graaf, Kraaykamp & Ultee, 2000). We analyse individuals and their partners in the period 1970-2000, in which changes in demographic behaviour actually occurred. In the next section (section 6.2), we provide a brief overview of the demographic developments in the Netherlands since the 1970s, as well as cultural, structural, and cyclical developments occurring in this country since then.

6.1.5 Contributions to the literature

We believe to improve upon previous studies in several ways. First, as Sobotka et al. (2009, 2011) have pointed out, the relationship between economic recessions and decreasing fertility rates in developed countries is frequently assumed in media and politics, but systematic research on the existence of and explanation for this relationship is still lacking. In most existing research, within this respect, only the macro-level relationship between economic insecurity and demographic developments is studied. It is however not possible to explain individual behaviour with regard to family formation based on a macro-level relationship, due to the possibility of ecological fallacies. This implies that it cannot be claimed that economically insecure individuals tend to postpone family formation. The first step to overcome this problem is by studying this outcome at the micro level, as we will do in this chapter.

Second, we take both macro- and micro-level economic insecurities into account in explaining individual decisions regarding family formation, which enables to disentangle the mechanism behind the effect of economic adversity on demographic behaviour. More specifically, it is not clear whether a negative influence of high unemployment rates implies that people actually being in unemployment tend to postpone family formation or if this also (or only) holds for people with a job. In this chapter, we hence aim to determine to what extent the association between macro-economic adversity and postponement of family formation is, so to say, the sum of individual behaviour or whether it (also) concerns a contextual effect.

Third, using micro-level retrospective data, i.e. the Family Survey Dutch Population, has several advantages. For instance, it allows to reconstruct the life course of individuals and their partner with regard to their employment and relationship history and the demographic transitions they make. These data hence enable to make causal inferences about the assumed relationships between the characteristics studied by applying event history analyses. These data also enable to include partner characteristics that are considered quite relevant in research on demographic outcomes, as decisions regarding family formation are usually made by both partners. In addition, these data enable to

study demographic developments from a broad perspective, i.e. by analysing the first union (i.e. [un]married cohabitation), first marriage, and first parenthood. In fact, we hence analyse several stages in the family formation process in which postponement could occur.

Fourth, we aim to contribute to the existing literature by studying to what extent educational heterogeneity exists in the macro- and micro-level effects of economic insecurity. As the opportunity costs of family formation differ under varying economic circumstances, it is quite likely that lower and higher educated respond differently with regard to demographic behaviour if unemployment rates are high or if they are in a precarious labour market situation. Until now, there has been paid hardly any attention to these differences in an empirical way.

6.2 MACRO-LEVEL DEVELOPMENTS IN THE NETHERLANDS

The Netherlands seems to provide optimal conditions for testing macro- and micro-level insecurity explanations for family formation. Clear demographic developments are visible in this country, especially after 1980. Figure 6.1 provides an overview of the most important demographic developments between 1970 and 2000 in the Netherlands. It is shown that until the late 1970s, the average age at first marriage for women was almost 23. Since the early 1980s, however, the average age is steadily rising up to 28,5 in 2000. Also the increase in the age at first childbirth for women is significant: Between 1970 and 2000 this rises from 24 to 29, implying that at the start of the new millennium the age at first marriage and child hardly differ from each other anymore. These developments moreover imply a strong decrease in marriage rates and fertility in the last three decades of the 20th century in the Netherlands. Other demographic developments shown in Figure 6.1 are the rising divorce rates in this same period, the rise in unmarried cohabitation, as well as the increase in the number of extramarital births.

In addition to these demographic developments in the Netherlands, other important macro-level developments have occurred since about the 1970s that could explain the former. In the introductory section, we mentioned that the literature usually points towards cultural and structural explanations for demographic developments. In Figure 6.2, the most important cultural and structural developments are shown, as well as economic developments. Although these macro-level developments might be considered as (too) rough indicators for the specific changes that have actually occurred since the 1970s in the Netherlands, they at least provide a global picture of the processes taking place in this period. As indicator for cultural developments, the process of secularization (or more specifically: the proportion of nonreligious people per year) is shown in Figure 6.2. It appears that this is strongly increasing from almost 23 to 40 per cent in 2000. Structural developments are indicated by the processes of economic globalization,

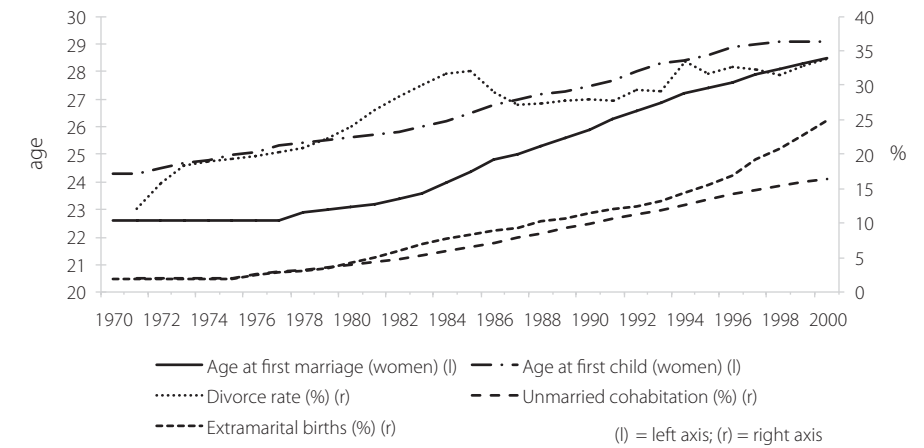


Figure 6.1 Demographic developments in the Netherlands, 1970-2000.

Source: CBS (2012).

educational expansion (i.e. gross enrolment ratio in tertiary education), and female labour market participation. Figure 6.2 shows that economic globalization is increasing quite steadily since the 1970s, and in 2000 the Netherlands is a highly globalized country in which more than half of the population is enrolled in tertiary education. Female labour market participation rates fluctuate around 34 per cent until the late 1980s but increase until 52 per cent in 2000. Only quite recently, Dutch women have hence started to play a significant role in the labour market, but still many women are outside the labour market at the start of the new millennium.

Also with regard to the Dutch economy, clear developments have occurred in the period between 1970 and 2000, as Figure 6.2 shows. Like in the rest of Europe, unemployment rates were rather low until the early 1970s, but particularly in the 1980s aggregate unemployment rates were rising. This period is even characterized as the transition from 'Dutch Disease' to 'Dutch Miracle', due to the high unemployment rates of the (mid-)1980s, especially among youth, followed by a strong job growth in temporary employment, especially in the mid-1990s (Visser & Hemerijck, 1997). Unemployment rates too were relatively high in this period. The Dutch miracle is thus also referred to as an 'unstable miracle' (Delsen & de Jong, 1997).

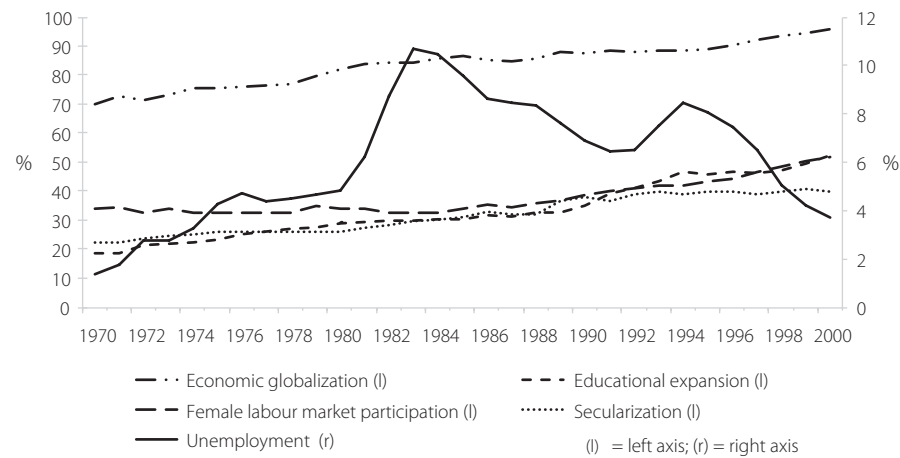


Figure 6.2 Cultural, structural, and macro-economic developments in the Netherlands, 1970-2000.

Source: CBS (2012); Dreher (2006); te Grotenhuis et al. (2012); UIS (2012).

6.3 THEORY AND HYPOTHESES

The decision to marry or to start having children involves long-term investments of time, money, and energy. Although, in the first place, such decisions may be based on romantic and emotional grounds, being economically able to support a family is nevertheless an important condition for young couples before actually making long-term commitments associated with marriage and raising children (Oppenheimer, 1988). Rindfuss and Vandenhoeve (1990) even speak of an 'affordability clause', referring to the normative prescription that individuals should neither marry nor have children until they can afford to do so.

6.3.1 Macro-economic adversity and family formation

During an economic crisis, the possibilities and prospects of being economically stable enough to support a family are worse than in economically more prosperous times. Current labour market situation and prospects about this situation in the near future are the most important determinants of economic (in)stability, but strongly depend on the state of the economy. During a recession, even employees in stable jobs with permanent employment contracts are not safe from redundancies by companies due to (the possible threat of) a company going bankrupt. The entire labour force may hence get more pessimistic about the current and/or future labour market situation during a recession.

Most evidently, one might (fear to) lose one's job without being able to find a new job again. In addition, wages are less likely to be adjusted to inflation or to increase due to promotion. Finally, chances of being promoted in one's current job are smaller in economic less prosperous times.

In brief, recessions create economic insecurities for the present and near future and may prevent young people from making long-term family commitments like marriage and parenthood. Some empirical evidence to support these ideas is already available, though the number of studies is scarce, particularly studies analysing the macro-level effect of economic insecurities by using micro-level data. For the Netherlands, de Beer (2012b) finds a positive correlation at the macro level between economic faith and marriage rates since the 1970s. With regard to fertility, a larger number of studies exists. Again for the Netherlands, de Beer (2009, 2012a) and Fokkema, de Valk, de Beer and van Duin (2008) show a positive (macro-level) relationship with economic faith. Similarly, for other industrialized countries, a negative relationship was observed between unemployment rates and fertility, although the strength of the effects varies across countries and between different social groups (see Adsera, 2011; Hoem, 2000; Kravdal, 2002; Neels, 2010; Neels, Theunynck & Wood, 2013; Sobotka et al., 2011). Accordingly, we hypothesize that under less prosperous macro-economic conditions, men and women are less likely to start family formation (H1).

6.3.2 Employment insecurity and family formation

Although macro-economic conditions are expected to create a general discouraging climate for starting family formation, the negative effects of macro-economic insecurities are likely to be channelled through the experience of individual employment insecurity. The economic crises in the 1970s and 1980s and the process of globalization since the 1980s have resulted in highly flexible labour markets in industrialized countries like the Netherlands, as pointed out earlier. This implies that a growing number of labour market entrants is in temporary or on call employment nowadays (Mills & Blossfeld, 2005; see also de Lange et al., 2012 [Chapter 2 in this book]). In addition, a significant number of youth is unemployed. Economic recessions hence increase the individual likelihood to be in a labour market situation that is associated with much instability and uncertainty about one's future career and financial situation. In fact, the above hypothesized macro-level effect of economic insecurities could hence be an effect of individually experienced employment insecurity.

In the literature, various arguments are put forward for a negative effect of employment insecurity on starting family formation. First, in industrialized countries, like the Netherlands, men are usually still responsible for the family income, in spite of the increasingly important role of women in the labour market nowadays (Becker, 1981). An insecure and instable labour market position makes it more difficult to provide a stable family income, which seems especially problematic for men (Oppenheimer, 1988; Oppenheimer, Kalmijn & Lim,

1997; Schmitt, 2008). In addition, men in unstable job positions are considered as less attractive marriage partners and fathers by women, which reduces their chances of a stable relationship (Oppenheimer, 1988).

Despite the still dominant position of men in providing the income in Dutch families, female labour market participation has gained much importance and women's socioeconomic role within the family is significant nowadays (Oppenheimer, 1977, 1994). Once they get married or have children, women are no longer expected to leave the labour market to start a 'career' as housewife and mother. Instead, it is increasingly common that both partners decrease their working hours and take care of domestic duties after the first child is born. Over the years, women's *employment* has thus become a barrier for family formation. So why would *employment insecurity* then prevent women from starting a family? It is important, in this respect, to understand that women's work and family life are easier to combine nowadays, due to accommodations made by societies in light of the growing importance of dual-breadwinner families (Kreyenfeld et al. 2012). For instance, in the Netherlands, it is very common for women to have a part-time job (Visser, 2002), which allows to combine work and family more easily. In fact, a stable employment situation for both men and women has become a prerequisite for family formation, as Kreyenfeld et al. (2012, p. 843) explain. Economic insecurity among women may hence lead to postponement of family formation for the same reason as for men, i.e. income instability. Additionally, it could be argued that women in insecure labour market situations might fear that it becomes even more difficult to find a stable job if they temporarily withdraw from the labour market to have a baby. To meet their aspirations for professional activity, women might prefer to be in a more stable employment situation before making the transition into motherhood, which makes a return to the labour market after childbirth more secure.

Finally, Oppenheimer (1988) suggests an explanation for postponement of family formation that is primarily concerned with the social consequences of insecure labour market positions, applying to both men and women. People with temporary jobs or in unemployment do not have an established position in the labour market yet. Therefore, it is still uncertain what kind of job they will have in the near future and what will be the exact burden of this job with regard to investments of time and efforts. Some jobs require much travel time or have irregular working schedules (such as at night or during the weekend), which comes at the expense of the amount of time available for family. Other jobs may involve high working pressure, which can cause a lot of stress. This could negatively affect the quality of family life. These kinds of uncertainties are likely to delay decisions regarding family formation until one's labour market situation is more stable. Summarizing the above-mentioned arguments, we expect that men and women experiencing employment insecurity are less likely to start family formation, compared to men and women in more stable employment positions (H2). Although little empirical research is available testing this micro-level hypothesis, quite recently several studies have

been published on this topic, resulting from a workshop on Economic Uncertainty and Family Dynamics in July 2009 in Berlin (Kreyenfeld et al., 2012). In these studies, the main interest is in fertility as outcome variable, studied across different (mostly) European countries. Although the findings from these studies are difficult to summarize and do not lead to one conclusive answer, the results are interesting: In several countries, like Germany, France, Sweden, and Israel, employment instability seems to lead to postponement of marriage or parenthood, mainly or only among men. In some other countries, i.e. the United Kingdom and Italy, evidence was found for women in unemployment showing higher fertility rates (Kreyenfeld et al., 2012). Also Kreyenfeld (2010) shows a similar result for lower educated German women, although higher educated women do indeed postpone parenthood. Hofmann and Hohmeyer (2013) demonstrate that strong economic concerns among women reduce fertility. This conclusion, however, is based on a subjective measurement of economic insecurity instead of a more objective measurement used in most other studies (i.e. employment situation).

6.3.3 The effect of employment insecurity under varying macro-economic conditions

Although it is argued that labour market insecurities, such as temporary employment and unemployment, lead to postponement of family formation, the actual perception of experiencing economic insecurity may vary under different macro-economic circumstances. In economically prosperous times, when labour market prospects are good, temporarily employed or unemployed individuals might still be optimistic about their labour market situation in the near future, despite their current insecure situation. The decision to start a family might then be less strongly postponed or perhaps not postponed at all. Conversely, in economically less advantageous times, the perception of economic insecurity due to temporary employment or unemployment could be reinforced, which makes people more reluctant to take such important decisions and carry these responsibilities in the longer run. This leads to the hypothesis that men and women experiencing employment insecurity are particularly less likely to start family formation if macro-economic conditions are less prosperous (H3).

6.3.4 Educational heterogeneity in the impact of economic insecurities

Although it is assumed that insecurities in the labour market lead to postponement of family formation in general, it is likely that lower and higher educated individuals do not equally respond to such insecurities, as appeared to be the case, for instance, for German women. More specifically, it is expected that the educationally heterogeneous effect of economic insecurity on family formation is opposite for men and women (Liefbroer & Corijn, 1999; Sobotka et al., 2011). Both expectations, however, can be derived from rational choice theory, based on Becker's New Home Economics (Becker, 1981), assuming that family formation involves high costs.

For men, it is hypothesized that the negative effects of macro-economic adversity (H4a) and employment insecurity (H5a) on family formation pertain less to higher educated. These hypotheses are based on the assumption that a higher educational level is generally associated with a higher income and better labour market prospects. Regarding the fact that men are still mainly responsible for the family income in the Netherlands nowadays, as stated earlier in this chapter, demographic decisions may be mainly based on the income level of the male partner. Higher educated men are expected to bear the high costs associated with family formation more easily, compared to lower educated men. Although both macro-economic insecurity and employment insecurity (as temporary employment or unemployment) may not directly involve a better financial situation for higher educated, still their future labour market prospects and accompanied income level will be more favourable, compared to economically insecure lower educated. Additionally, this makes higher educated men more attractive as a potential partner and improves their position in the 'marriage market', compared to lower educated (Kalmijn, 1991; Oppenheimer, 1988). It is expected hence that higher educated men are less restricted by labour market insecurities in their family intentions, compared to lower educated men.

For women, the hypotheses are the opposite, i.e. that the negative effects of macro-economic adversity (H4b) and employment insecurity (H5b) on family formation particularly pertain to higher educated. These expectations are derived from the idea that a higher level of education involves higher opportunity costs (Liefbroer & Corijn, 1999; Oppenheimer, 1988). This implies that starting (and supporting) a family requires a lot of time that could also be invested in paid labour. The amount of income that could have been earned through this labour is higher for people with a higher level of education. As women, traditionally, spend more hours to unpaid domestic work and raising children than men, this explanation primarily pertains to them. Furthermore, higher educated women may consider a reduction of working hours or resignation for the sake of family formation more often as a waste of their education, compared to lower educated women. Even though women in insecure labour market situations may have not so much to lose, also future expectations regarding labour market participation play a role in the decision to start a family or not. These expectations are better for higher educated women than for lower educated ones. For lower educated women, fulfilling the role of (house)wife or mother could even be a strategy to reduce or compensate insecurities in the labour market. Finally, differences in attitudes towards family formation could explain diverging postponement behaviour of higher and lower educated women. Higher educated usually have more liberal attitudes and show less traditional behaviour with regard to family formation than lower educated (Liefbroer & Merz, 2009). This could be an additional reason why higher educated women in insecure labour market situations postpone family formation to a stronger extent than comparable lower educated women.

6.4 DATA AND MEASUREMENTS

6.4.1 Data and analytical sample

The research questions addressed in this chapter ask for detailed life history information complemented with macro-level data that allows investigating how macro-economic and employment insecurity are causally related to family formation. The Family Survey Dutch Population (FSDP) (in Dutch: 'Familie-enquête Nederlandse Bevolking') is a five-yearly large scale retrospective survey registering the life course of individuals and their partners with regard to different domains as education, labour market, partnerships, children, et cetera. The FSDP is hence particularly suitable to answer our research questions. We use data collected in 2000 (de Graaf et al., 2000).³⁰ The sample procedure is two-step stratified: First, a random sample of 67 municipalities was drawn, second, a random sample of respondents within these municipalities. In total, 1,561 respondents (primary respondents and partners) were interviewed between April 2000 and October 2000. The first part of the interview concerned Computer Assisted Personal Interviewing and the second part consisted of a written questionnaire, usually completed while the partner was being interviewed. Due to the method of retrospective questioning, respondents' characteristics and behaviour can be observed far before 2000, which enables to cover an extensive period in time, in which changes in demographic behaviour are actually expected to occur.³¹ This retrospective information has been collected by asking respondents when a certain event started and when it ended. The dates of recurring events (such as education or jobs) were summarized in a scheme together with the interviewer to ensure that dates did not overlap or that information on specific periods was missing.

Several selections have been made in the total sample. The analytical sample is restricted to heterosexual couples of which both partners indicated to be each other's first serious partner in a relationship that started not before 1970. We then created a person-month file, in which respondents have been followed from month to month since the start of their first serious relationship until the moment the events of our interest (first union, marriage, or parenthood) occur and being maximally 45 years old. To construct this

³⁰ Although five waves of the FSDP are currently available, we could only use the 2000 wave, containing detailed information on the full employment history of individuals and their partners (including information on temporary employment, which is lacking in the other waves).

³¹ This method of data collection, however, could involve a problem of what is called 'recall bias'. This implies that especially couples who began their relationship at the start of the investigated period (i.e. 1970s) have to report on employment, partnership, and fertility histories of a long time ago, which might lead to unreliable information. We would like to emphasize, however, that these also concern important life events that most individuals might very well remember, even after many years. In addition, this only applies to the group of respondents, who have actually started their relationship such a long time ago and for the earliest years of their relationship. Moreover, we have no reason to assume that possible errors within this respect would be systematic errors and therefore we do not expect that our findings are biased by this.

person-month file, we created a dataset in which for each respondent the first record started in the first month of the relationship and for each month observed an additional record is added. Based on the dates of events reported by the respondents, for each record the status of a specific variable is then 'calculated', resulting in either time-constant or time-varying variables. Respondents, who have not experienced the event before the moment of interview (in 2000) are treated as right censored. These selections result in an analytical sample of 729 respondents/partners: 365 men and 364 women.

6.4.2 Dependent variables

The first indicator of family formation is the *transition into the first union*. The first union is defined as the moment partners start living together in one household, either married or unmarried. Of all respondents, 352 men and 352 women started a first union before the moment of interview. For 45 per cent of these respondents this moment coincides with marriage; the remaining 55 per cent starts cohabiting without being married. Respondents who do not start a first union before the moment of interview (at the maximum age of 45) are treated as right-censored.

The second indicator of family formation is the *transition into the first marriage*. This dependent variable refers to the month in which an individual makes the transition from being unmarried to being married for the first time. Of all respondents, 319 men and 319 women marry before the moment of interview. Respondents who do marry before the moment of interview (at the maximum age of 45) are treated as right-censored.

The third and last indicator of family formation refers to the *transition into parenthood*. To determine this moment, nine months have been subtracted from the date of birth of the first child. In fact, the date of conception of the first child is calculated, as this is considered to be the best proxy for the moment people 'decide' to start having children. Of all respondents, 287 men and 286 women had their first child before the moment of interview. Respondents who do not become a parent before the moment of interview (at the maximum age of 45) are treated as right-censored.

6.4.3 Macro-level independent variables and control variables

Macro-economic conditions are measured by the *aggregate unemployment rate*, provided by Statistics Netherlands (CBS, 2012). These numbers vary yearly, implying that every month within the same year has been assigned the same value. In addition, they are measured one year ahead, which means that if the likelihood to experience the event in year (t) is being estimated, the measurement of the unemployment rate refers to ($t-1$) year. The unemployment rate hence covers a period from 1969 to 1999. Finally, this variable has been standardized over the years of observation and mean-centred.

At the macro level, the empirical models are controlled for the degree of *modernization* in a certain year to exclude cultural and structural explanations for postponement of demographic behaviour. This measurement of modernization is the average of the

separate standardized measurements of secularization (i.e. proportion of nonreligious people, based on a question asking if one considers him- or herself as being religious [te Grotenhuis, Eisinga, van der Meer & Pelzer, 2012]), educational expansion (i.e. gross enrolment ratio in tertiary education [UIS, 2012]), and economic globalization (i.e. KOF Index of Globalization, which is a scale of the weights of different indicators referring to actual economic flows and restrictions to trade and capital [Dreher, 2006], see also section 2.2.3) and subsequently mean-centred. Also this variable is measured one year prior to the measurement of the dependent variables.

6.4.4 Micro-level independent variables and control variables

Employment (in)security is measured by the time-varying variable referring to an individual's *employment situation*. This variable distinguishes between permanent employment (i.e. a permanent employment contract or a temporary employment contract with prospect of a permanent contract [reference category]), temporary employment (i.e. a temporary employment contract without prospect of a permanent contract or on call employment), unemployment (self-reported and during the period in-between jobs), and other situation (including being in education, inactive, self-employed, or unknown). *Level of education* is measured as three categories: low, intermediate, and high.³² Lower educated people are the reference category.

As control variables, *sex* (reference is man), *year of birth* (for men minus 1939 and for women minus 1942), *age* (minus 15), and *age* (minus 15) *squared* are included. Additionally, the statistical models are controlled for *religiosity* (i.e. being religious versus nonreligious), *marital status* (i.e. unmarried cohabitation [only included in the analyses of first marriage and parenthood] or married cohabitation [only included in the analysis of parenthood] versus no cohabitation), the *number of weekly working hours* (varying from 0 to 60), *partner's level of education* (i.e. medium or high versus low), and *partner's employment situation* (i.e. temporary employment, unemployment, or other versus permanent employment). Except for sex and year of birth, all individual-level control variables are time varying.

An overview of all variables in the person-month file included in the analysis is presented in Table 6.1.

6.4.5 Method

In order to investigate to what extent macro-economic and employment insecurity in the early career lead to postponement of family formation, event history analysis is used. More specifically, piecewise-constant exponential models (PCE) have been applied to estimate the effects of the explanatory variables on the monthly hazard rates of experiencing the

³² The category 'low education' consists of people with BO and LBO; 'intermediate education' refers to people with MAVO, HAVO, VWO, and MBO, and 'high education' is composed of people with HBO, WO, and WO+.

Table 6.1 Descriptive statistics of the dependent and independent variables
(men, N = 365, # episodes = 72,650; women, N = 364, # episodes = 74,473).

	Range		Mean		St. Dev.	
	Men	Women	Men	Women	Men	Women
<i>Dependent variables</i>						
Transition into first union	0/1		0.0048	0.0047	0.0694	0.0686
Transition into first marriage	0/1		0.0044	0.0043	0.0661	0.0653
Transition into first child	0/1		0.0040	0.0038	0.0627	0.0619
<i>Independent variables</i>						
Year of birth	1939 - 1979	1942 - 1980	1957	1959	7	7
Age	15 - 45		31	29	7	7
Religiosity						
Nonreligious	0/1		0.54	0.51		
Religious	0/1		0.46	0.49		
Level of education ^a						
Low	0/1		0.29	0.26		
Intermediate	0/1		0.47	0.55		
High	0/1		0.24	0.19		
Employment situation ^a						
Permanent employment	0/1		0.74	0.49		
Temporary employment	0/1		0.04	0.04		
Unemployment	0/1		0.01	0.02		
Other	0/1		0.21	0.45		
Working hours	0 - 60		33	17	17	17
Unemployment rate ^b	-0.48 - 0.52		0.13	0.12	0.21	0.21
Modernization	-0.46 - 0.45		0.11	0.12	0.21	0.21

^a See for the statistics of the partner variables the statistics of the opposite sex.

^b Transformed variable: original values range from 1.39% to 10.72%.

Source: Family Survey Dutch Population (2000).

transition into first union, first marriage and parenthood after the start of the relationship (Blossfeld & Rohwer, 2002).³³

³³ The basic idea underlying the application of these PCE models is that the duration time, i.e. the duration until first union, marriage, or parenthood after the start of the relationship, can be divided into discrete units in which the hazard rate is assumed to be constant across time. In other words, the hazard rate is allowed to differ in different time intervals, but is assumed to be constant within each time interval. Estimating such models corresponds to estimating different intercept terms for different time intervals and enables to approximate the shape of the baseline hazard rate as best as possible.

For each dependent variable, six empirical models are presented. The first four models are estimated for all individuals together and for men and women separately. The last two models are only estimated for men and women separately. In the first model, the main effects of the unemployment rate and level of education are estimated, controlled for level of modernization, (sex,) year of birth, age, age squared, and religiosity. Based on this model, we can test our first hypothesis on the impact of macro-economic conditions on the likelihood of family formation. In the second model, also the individual's labour market situation is included, controlled for the number of working hours. Since demographic decisions are usually taken by both partners and based on both their situations, the level of education and labour market situation of the partner are added in Model 3. The second hypothesis (on the impact of individual employment insecurity) is tested based on the results of this model. In Model 4, the effects of the interaction terms between labour market situation and unemployment rate are estimated. Through this model, it is studied to what degree the impact of individual employment insecurity is strengthened by macro-economic insecurities (H3). Finally, in the last two models, the interaction terms between macro- and micro-economic insecurities and level of education are estimated (i.e. in Model 5, the interaction between unemployment rate and level of education and, in Model 6, the interaction between labour market situation and level of education). From these models it can be derived to what extent the impact of labour market insecurities on the likelihood of family formation varies between men and women with different educational qualifications (H4ab and H5ab).

6.5 RESULTS

6.5.1 Descriptive results

Before turning to the results of the multivariate event history analyses, we show some descriptive results with regard to the relationship between the individual labour market situation and family formation. More specifically, for each month after the start of the relationship, the cumulative proportion of people who experienced a demographic transition is shown by type of labour market situation. With regard to the first union, the descriptive results are presented in Figure 6.3. From this figure we can derive that the likelihood to start a first union increases equally in the first four years of a relationship and at the same speed for individuals with a permanent job, a temporary job, and in unemployment. After four to five years, about 90 per cent of all individuals started cohabitation, either married or unmarried. As the differences between individuals with different labour market situations seem to be small, there is no reason to believe that employment insecurity affects the likelihood to start a first union, based on these descriptive results.

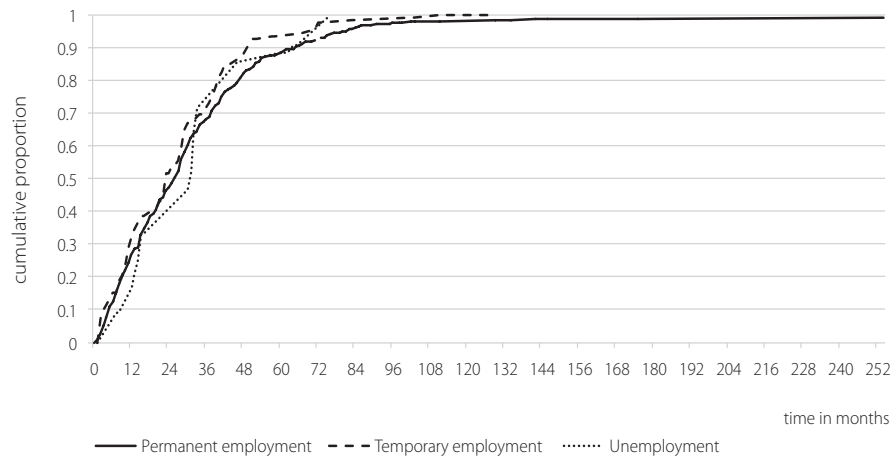


Figure 6.3 Cumulative probability of the first union since start of the relationship for men and women with different labour market situations.

Source: FSDP (2000).

With regard to the likelihood of the first marriage, differences between individuals with divergent labour market situations seem to exist, as Figure 6.4 shows. For individuals with a permanent job, the likelihood to marry increases quite equally in the first four years of their relationship: After four years, about 70 per cent is married. After this period the likelihood to marry still increases, but more slowly. Almost nine years after starting the relationship almost everyone with a permanent job married. For individuals with a temporary job, the likelihood to marry also shows the strongest increase in the first four years of the relationship and decreases afterwards. After four years, more than 50 per cent of all individuals in temporary employment is married. The difference in marriage rates between people with permanent and temporary employment is hence quite large at this point in the relationship, and we can draw the provisional conclusion that temporary employment leads to postponement of marriage, compared to permanent employment. For unemployed individuals a deviating marriage pattern can be observed: After one year of the relationship, almost a third of all unemployed is married and three years thereafter about 85 per cent of all unemployed married. So, based on the descriptive results, we can conclude that unemployment even enlarges the likelihood to marry for the first time, compared to a situation of employment security.

Finally, in Figure 6.5 the (cumulative) likelihood to become a parent since the start of the relationship is presented for individuals with different labour market situations. First, we can observe that the likelihood to have a first child does not increase as strongly as the likelihood to start a first union or marriage, after starting a relationship. Second, it is shown

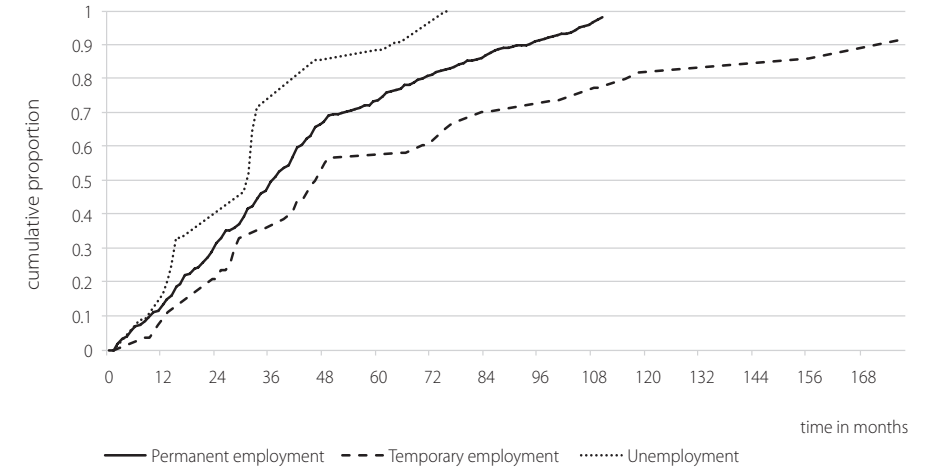


Figure 6.4 Cumulative probability of the first marriage since start of the relationship for men and women with different labour market situations.

Source: FSDP (2000).



Figure 6.5 Cumulative probability of the first child since start of the relationship for men and women with different labour market situations.

Source: FSDP (2000).

that the likelihood to become a parent does not seem to be dependent of one's labour market situation as no significant differences seem to exist between people in permanent employment, temporary employment, and unemployment.

6.5.2 Multivariate results

Transition into first union

The results of the multivariate event history analyses are used to test our hypotheses. The first three hypotheses are tested through the models analysing men and women together; the gender-specific hypotheses with regard to the educationally heterogeneous effect of macro-economic and employment insecurities (H4ab and H5ab) are tested based on the results of the separate models of men and women. First, we discuss the results with regard to the transition into the first union, presented in Table 6.2. Model 1 shows that the unemployment rate negatively affects the likelihood to start a first union ($b = -0.889$), implying that young people are less likely to start (un)married cohabitation when macro-economic conditions are bad, which supports the first hypothesis. The gender-specific models show that this more strongly applies to men ($b = -1.073$) than to women ($b = -0.661$), although we did not have gender-specific hypotheses.

In Model 2, the individual's labour market situation is added to the previous model, and Model 3 also controls for partner's labour market situation. From this model, it can be derived that the negative effect of the unemployment rate hardly decreases after taking the individual's and partner's labour market situation into account ($b = -0.795$), which implies that the negative effect of macro-economic insecurities is not channelled through individual employment insecurities, but that it exists beyond that. With regard to the effect of the individual's labour market situation, we find that this is absent, although partner's temporary employment appears to increase the likelihood of a first union. When we look at the gender-specific results, we find that this effect pertains to men with a female partner in temporary employment. Similarly, we find that for women, a temporary job increases the likelihood of a first union. These findings suggest that if women are in an insecure labour market situation, they do not tend to postpone but instead 'hurry' the first union. With regard to our hypotheses, we can conclude that individual employment insecurity does not decrease the likelihood of the first union (H2), neither does it explain the effect of macro-economic insecurities. Macro-level unemployment hence has an independent, negative contextual effect on the first union, irrespective of one's labour market situation.

To examine whether employment insecurity differently affects the likelihood of a first union under varying macro-economic circumstances, the interaction terms between both variables are added in Model 4. From the joint model for men and women it appears that the main effect of (individual) unemployment is positive and significant at the 90 per cent confidence level ($b = 0.638$). As we mean-centred the macro-level variables, this is the effect of unemployment when the aggregate unemployment rate is average. None of the interaction terms are significant, implying that this effect does not differ under varying

macro-economic conditions. However, comparing the gender-specific Models 4 does reveal that the positive effect of unemployment (under average aggregate unemployment) pertains to men and that a negative interaction exists with the unemployment rate. So, in case of average aggregate unemployment, unemployed men do 'hurry' the first union, but as aggregate unemployment grows this effect turns negative and men are less likely to start (un)married cohabiting, like we expected. This interaction effect does support H3 for men, although the main effect is not in the expected direction. For women, we still find a positive effect of temporary employment in Model 4 that does not vary among different unemployment rates. So for women, the third hypothesis is not supported by our findings.

In Models 5 and 6 we test the gender-specific hypotheses on the educationally heterogeneous effect of macro-economic and individual employment insecurity. For men, we find no educational differences in the negative effect of the unemployment rate on the first union (Model 5). For women, conversely, it appears that there is only a negative of the unemployment rate for intermediate educated women, while we particularly expected an effect among higher educated. Both findings do not support H4a and H4b. With regard to the interaction between employment insecurity and level of education, Model 6 shows some clear but unexpected results for men: Lower educated men in unemployment are more likely to start a first union compared to lower educated permanently employed men, but for intermediate educated men this positive effect of unemployment is much smaller and almost absent. This result rejects H5a. Also H5b finds no support, as for women none of interaction coefficients between individual employment insecurity and level of education is significant.

Transition into first marriage

In Table 6.3, the results of the piecewise-constant exponential models with regard to the transition into the first marriage are presented. From Model 1 (all individuals) it can be derived that when macro-economic conditions deteriorate, young people are less likely to start the first marriage ($b = -1.044$), supporting the first hypothesis (H1). The gender-specific models show that this particularly applies to women, though also to men. This gender difference in the strength of the effect is opposite to what we found for the transition into the first union. In the next model, the individual-level measurements of economic insecurity are included and in Model 3 also partner's level of education and labour market situation. The overall model shows only a negative effect of a temporarily employed partner ($b = -0.361$), but from the gender-specific models we learn that this effect is only found among women with a temporarily employed man ($b = -0.597$). Indeed for men we find a negative effect of their own temporary employment on the first marriage ($b = -0.538$). So, men in temporary jobs seem to postpone the first marriage compared to men with a stable, permanent job. This finding corroborates the second hypothesis. Comparing the effects of macro-economic and individual employment

Table 6.2 Piecewise-constant exponential models of the transition into first union:
unstandardized coefficients.

	All individuals						Men				Women					
	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Duration																
0-47 months	13.984	5.845	6.340	6.240	-16.973	-20.429	-30.858	-30.980	-29.823	-24.496	32.618	28.190	33.518	29.921	24.455	33.218
48-71 months	14.006	5.887	6.391	6.288	-16.863	-20.282	-30.721	-30.848	-29.673	-24.373	32.562	28.150	33.536	29.931	24.495	33.233
72-83 months	14.229	6.103	6.601	6.492	-16.656	-20.066	-30.552	-30.673	-29.485	-24.193	32.846	28.387	33.809	30.186	24.786	33.489
84-107 months	13.675	5.536	6.049	5.930	-17.140	-20.580	-30.978	-31.114	-29.896	-24.637	32.300	27.860	33.242	29.617	24.215	32.943
108 and more months	12.960	4.733	5.274	5.170	-18.251	-21.731	-32.039	-32.167	-30.939	-25.745	32.151	27.624	32.955	29.357	23.911	32.689
Sex																
Man	ref.	ref.	ref.	ref.												
Woman	0.278**	0.266**	0.255**	0.261**												
Year of birth	-0.014	-0.009	-0.009	-0.009	0.001	0.004	0.009	0.009	0.009	0.006	-0.024	-0.021	-0.023	-0.022	-0.019	-0.023
Age	0.475**	0.415**	0.381**	0.382**	0.516**	0.446**	0.427**	0.430**	0.426**	0.438**	0.544**	0.491**	0.452**	0.459**	0.459**	0.469**
Age	-0.019**	-0.017**	-0.016**	-0.016**	-0.019**	-0.017**	-0.016**	-0.016**	-0.016**	-0.017**	-0.026**	-0.023**	-0.022**	-0.022**	-0.022**	-0.023**
Religiosity																
Nonreligious	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Religious	0.051	0.037	0.013	0.012	0.056	0.065	0.034	0.049	0.052	0.015	0.035	0.008	0.009	-0.005	0.009	-0.005
Level of education																
Low	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Intermediate	-0.090	0.000	-0.040	-0.032	0.067	0.177	0.152	0.156	0.135	0.251	-0.303*	-0.241~	-0.294*	-0.284~	-0.296*	-0.127
High	-0.044	0.014	-0.088	-0.084	0.078	0.164	0.067	0.072	0.124	0.245	-0.218	-0.184	-0.276	-0.265	-0.285	-0.186
Employment situation																
Permanent employment		ref.	ref.	ref.		ref.	ref.	ref.	ref.	ref.		ref.	ref.	ref.	ref.	ref.
Temporary employment		0.226	0.215	0.224		0.042	0.103	0.050	0.091	-0.010		0.524*	0.444*	0.512~	0.445*	0.499
Unemployment		0.517	0.452	0.638~		0.660	0.700	0.952~	0.681	2.533**		0.207	0.163	0.097	0.206	0.118
Other		-0.104	-0.091	-0.059		-0.011	0.012	0.041	0.015	0.366		-0.160	-0.091	-0.046	-0.056	0.316
Working hours		0.010*	0.008~	0.009*		0.013*	0.012~	0.012~	0.012~	0.011~		0.005	0.005	0.005	0.006	0.005
Employment situation partner																
Permanent employment			ref.	ref.			ref.	ref.	ref.	ref.			ref.	ref.	ref.	ref.
Temporary employment			0.273~	0.290~			0.415~	0.408~	0.415~	0.407~			0.032	0.059	0.073	0.074
Unemployment			-0.067	-0.093			-0.068	-0.082	-0.031	-0.239			-0.029	-0.070	-0.025	0.009
Other			-0.400**	-0.389**			-0.356**	-0.363**	-0.355**	-0.334**			-0.479**	-0.460**	-0.453**	-0.442**
Level of education partner																
Low			ref.	ref.			ref.	ref.	ref.	ref.			ref.	ref.	ref.	ref.
Intermediate			0.195*	0.200*			-0.053	-0.063	-0.051	-0.010			0.319*	0.312~	0.306*	0.328*
High			0.367**	0.379**			0.201	0.192	0.223	0.221			0.356~	0.346~	0.369*	0.378*
Unemployment rate	-0.889**	-0.856**	-0.795**	-0.586**	-1.073**	-0.994**	-0.902**	-0.722*	-1.191**	-0.836**	-0.661*	-0.615*	-0.579*	-0.365	0.073	-0.571*
Modernization	1.173	1.005	0.871	0.857	0.769	0.613	0.327	0.335	0.341	0.348	1.350	1.210	1.146	1.089	1.007	1.161
Temporary employment*Unemployment rate				-0.222				0.257							-0.636	
Unemployment*Unemployment rate				-1.174				-2.389~							0.222	
Other*Unemployment rate				-0.629~				-0.505							-0.786	
Unemployment rate*Intermediate									0.636						-0.919~	
Unemployment rate*High									-0.420						-1.054	
Temporary employment*Intermediate										0.316						0.025
Temporary employment*High										-0.086						-0.426
Unemployment*Intermediate										-2.008*						0.161
Unemployment*High										-						0.055
Other*Intermediate										-0.419						-0.624*
Other*High										-0.666~						-0.188
Log likelihood	-3190	-3172	-3154	-3152	-1594	-1584	-1575	-1574	-1574	-1571	-1583	-1576	-1565	-1564	-1563	-1562
Degrees of freedom	14	18	23	26	13	17	22	25	24	28	13	17	22	25	24	28
# transitions	704	704	704	704	352	352	352	352	352	352	352	352	352	352	352	352
# episodes	29,679	29,679	29,679	29,679	15,137	15,137	15,137	15,137	15,137	15,137	14,542	14,542	14,542	14,542	14,542	14,542

** p<0.01; * p<0.05; ~ p<0.10 (two-tailed test).

Source: Family Survey Dutch Population (2000).

Table 6.3 Piecewise-constant exponential models of the transition into first marriage:
unstandardized coefficients.

	All individuals						Men				Women					
	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Duration																
0-35 months	68.574	77.294~	87.327~	80.108~	100.341	116.342~	120.549~	118.575~	112.961~	114.380~	42.925	47.937	67.713	56.201	67.635	71.818
36-53 months	68.835	77.563~	87.609~	80.395~	100.642	116.674~	120.887~	118.902~	113.304~	114.723~	43.147	48.159	67.974	56.475	67.881	72.087
54-65 months	68.330	77.066~	87.125~	79.901~	100.069	116.158~	120.373~	118.376~	112.804~	114.212~	42.711	47.721	67.579	56.061	67.482	71.682
66-75 months	68.662	77.419~	87.461~	80.227~	100.544	116.626~	120.828~	118.839~	113.274~	114.685~	42.901	47.926	67.743	56.189	67.647	71.839
76-89 months	68.010	76.760~	86.782~	79.553~	99.870	115.937~	120.141~	118.160~	112.601~	113.987~	42.295	47.326	67.096	55.562	67.003	71.164
90-97 months	68.264	77.022~	87.038~	79.810~	100.164	116.241~	120.443~	118.474~	112.914~	114.279~	42.517	47.551	67.298	55.765	67.208	71.380
98-119 months	68.364	77.120~	87.132~	79.915~	100.310	116.402~	120.598~	118.638~	113.073~	114.454~	42.572	47.598	67.358	55.845	67.273	71.439
120-199 months	68.525	77.272~	87.288~	80.081~	100.527	116.603~	120.770~	118.806~	113.267~	114.660~	42.687	47.684	67.503	55.954	67.414	71.549
200 and more months	71.561	80.137~	90.170*	82.914~	103.450	119.269~	123.506~	121.497~	115.803~	117.444~	46.432	51.295	70.744	59.136	70.666	74.664
Sex																
Man	ref.	ref.	ref.	ref.												
Woman	0.071	0.060	0.074	0.062												
Year of birth	-0.041~	-0.046*	-0.051*	-0.047*	-0.057~	-0.064*	-0.066*	-0.065*	-0.063~	-0.063~	-0.029	-0.031	-0.041	-0.035	-0.041	-0.043
Age	0.210**	0.174**	0.174**	0.171**	0.148*	0.047	0.054	0.044	0.049	0.030	0.283**	0.267**	0.250**	0.239**	0.254**	0.241**
Age	-0.008**	-0.007**	-0.007**	-0.007**	-0.006**	-0.003	-0.004	-0.003	-0.003	-0.003	-0.010**	-0.010**	-0.009**	-0.009**	-0.009**	-0.009**
Religiosity																
Nonreligious	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Religious	1.212**	1.229**	1.203**	1.194**	1.272**	1.302**	1.292**	1.285**	1.291**	1.307**	1.175**	1.181**	1.167**	1.188**	1.163**	1.174**
Level of education																
Low	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Intermediate	-0.193~	-0.197*	-0.154	-0.140	-0.169	-0.104	-0.059	-0.059	-0.067	0.026	-0.246~	-0.264~	-0.284~	-0.249	-0.263~	-0.204
High	-0.497**	-0.512**	-0.391**	-0.389**	-0.489**	-0.490**	-0.413*	-0.404*	-0.353~	-0.562*	-0.572**	-0.623**	-0.522*	-0.538*	-0.536*	-0.361
Marital status																
No cohabitation	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
Unmarried cohabitation	5.036**	5.062**	5.063**	5.087**	5.185**	5.257**	5.257**	5.288**	5.234**	5.298**	4.894**	4.917**	4.942**	4.997**	4.948**	4.978**
Employment situation																
Permanent employment		ref.	ref.	ref.		ref.	ref.	ref.	ref.	ref.		ref.	ref.	ref.	ref.	ref.
Temporary employment		-0.279	-0.281	-0.444*		-0.546*	-0.538~	-0.434	-0.552~	-0.853		-0.074	-0.094	-0.382	-0.124	0.667
Unemployment		0.516	0.583	0.483		0.755	0.723	0.611	0.801	1.133		0.229	0.535	0.210	0.533	1.493*
Other		-0.192	-0.170	-0.219		-0.223	-0.245	-0.308	-0.229	-0.223		-0.353	-0.256	-0.292	-0.247	-0.136
Working hours		0.005	0.005	0.004		0.011~	0.011~	0.010~	0.012~	0.012*		-0.004	-0.003	-0.004	-0.003	-0.002
Employment situation partner																
Permanent employment			ref.	ref.			ref.	ref.	ref.	ref.			ref.	ref.	ref.	ref.
Temporary employment			-0.361~	-0.362~			-0.135	-0.151	-0.094	-0.139			-0.597*	-0.598*	-0.598*	-0.562*
Unemployment			-0.125	-0.212			-0.001	0.069	-0.026	-0.069			-0.378	-0.370	-0.418	-0.773
Other			-0.289**	-0.294**			-0.092	-0.088	-0.112	-0.070			-0.509**	-0.524**	-0.483**	-0.523**
Level of education partner																
Low			ref.	ref.			ref.	ref.	ref.	ref.			ref.	ref.	ref.	ref.
Intermediate			-0.179~	-0.208*			-0.285~	-0.305*	-0.291~	-0.282~			-0.068	-0.120	-0.044	-0.090
High			-0.285*	-0.294*			-0.262	-0.254	-0.235	-0.271			-0.261	-0.306	-0.244	-0.243
Unemployment rate	-1.044**	-1.071**	-1.112**	-1.405**	-0.817**	-0.843**	-0.859**	-1.054**	-0.782~	-0.817**	-1.250**	-1.286**	-1.336**	-1.696**	-0.977~	-1.337**
Modernization	-1.457~	-1.359~	-1.224	-1.315~	-1.171	-1.045	-0.976	-1.051	-1.207	-1.131	-1.709	-1.669	-1.481	-1.552	-1.512	-1.442
Temporary employment*Unemployment rate				1.477~				-0.587						3.252**		
Unemployment*Unemployment rate				0.797				-0.162						1.740		
Other*Unemployment rate				0.831*				1.044~						0.586		
Unemployment rate*Intermediate									0.249						-0.617	
Unemployment rate*High									-0.994						-0.075	
Temporary employment*Intermediate										-0.310						-0.913
Temporary employment*High										1.680*						-0.856
Unemployment*Intermediate										-0.412						-1.599
Unemployment*High										-						-1.340
Other*Intermediate										-0.268						0.004
Other*High										0.510						-0.463
Log likelihood	-2513	-2503	-2496	-2492	-1250	-1238	-1236	-1234	-1234	-1229	-1260	-1258	-1249	-1245	-1248	-1247
Degrees of freedom	19	23	28	31	18	22	27	30	29	33	18	22	27	30	29	33
# transitions	638	638	638	638	319	319	319	319	319	319	319	319	319	319	319	319
# episodes	43,570	43,570	43,570	43,570	21,980	21,980	21,980	21,980	21,980	21,980	21,590	21,590	21,590	21,590	21,590	21,590

** p<0.01; * p<0.05; ~ p<0.10 (two-tailed test).

Source: Family Survey Dutch Population (2000).

Table 6.4 Piecewise-constant exponential models of the transition into parenthood: unstandardized coefficients.

	All individuals				Men								Women					
	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6		
Duration																		
0-31 months	-119.321*	-121.364**	-125.306**	-127.876**	-94.244	-93.939	-105.614	-111.144	-108.294	-108.167	-144.648*	-145.559*	-152.076*	-152.812*	-147.980*	-155.946*		
32-97 months	-119.246*	-121.282**	-125.217**	-127.780**	-94.150	-93.814	-105.459	-110.989	-108.138	-108.012	-144.610*	-145.503*	-152.016*	-152.746*	-147.927*	-155.896*		
98-105 months	-119.848*	-121.883**	-125.818**	-128.373**	-94.717	-94.363	-106.005	-111.526~	-108.684	-108.565	-145.255*	-146.156*	-152.681*	-153.407*	-148.596*	-156.543*		
106-136 months	-119.284*	-121.320**	-125.256**	-127.806**	-94.152	-93.806	-105.454	-110.960	-108.130	-107.995	-144.689*	-145.586*	-152.109*	-152.833*	-148.017*	-155.979*		
137-173 months	-119.395*	-121.434**	-125.388**	-127.948**	-94.239	-93.921	-105.587	-111.111	-108.264	-108.148	-144.779*	-145.697*	-152.235*	-152.961*	-148.137*	-156.108*		
174 and more months	-119.802*	-121.813**	-125.764**	-128.350**	-94.607	-94.234	-105.982	-111.580~	-108.656	-108.492	-145.042*	-145.997*	-152.548*	-153.274*	-148.435*	-156.381*		
Sex																		
Man	ref.	ref.	ref.	ref.														
Woman	0.068	0.100	0.104	0.106														
Year of birth	0.053*	0.054*	0.056*	0.057*	0.040	0.040	0.046	0.048	0.047	0.047	0.065~	0.066~	0.069*	0.069*	0.067*	0.071*		
Age	0.428**	0.434**	0.443**	0.442**	0.415**	0.420**	0.427**	0.432**	0.427**	0.430**	0.497**	0.497**	0.514**	0.512**	0.521**	0.517**		
Age	-0.013**	-0.013**	-0.014**	-0.013**	-0.013**	-0.013**	-0.013**	-0.013**	-0.013**	-0.013**	-0.016**	-0.016**	-0.017**	-0.016**	-0.017**	-0.017**		
Religiosity																		
Nonreligious	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.		
Religious	0.046	0.036	0.036	0.025	0.048	0.020	0.043	0.031	0.046	0.052	0.049	0.046	0.036	0.031	0.050	0.041		
Level of education																		
Low	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.		
Intermediate	-0.146	-0.140	-0.132	-0.121	-0.103	-0.087	-0.079	-0.064	-0.100	-0.077	-0.228	-0.192	-0.184	-0.177	-0.288~	-0.161		
High	-0.150	-0.127	-0.070	-0.060	-0.064	-0.068	0.023	0.045	0.083	-0.023	-0.269	-0.233	-0.198	-0.193	-0.302	-0.087		
Marital status																		
No cohabitation	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.		
Unmarried cohabitation	1.129**	1.140**	1.168**	1.164**	0.906**	0.880**	0.897**	0.891**	0.897**	0.912**	1.309**	1.324**	1.350**	1.350**	1.365**	1.357**		
Married cohabitation	2.613**	2.639**	2.675**	2.680**	2.496**	2.489**	2.502**	2.509**	2.491**	2.525**	2.691**	2.704**	2.748**	2.753**	2.764**	2.750**		
Employment situation																		
Permanent employment		ref.	ref.	ref.		ref.	ref.	ref.	ref.	ref.		ref.	ref.	ref.	ref.	ref.		
Temporary employment		-0.136	-0.097	-0.406		-0.146	-0.115	-0.568	-0.126	0.810		-0.141	-0.098	-0.240	-0.089	0.313		
Unemployment		-0.182	-0.060	-0.229		-0.619	-0.683	-1.373	-0.696	-		-0.303	0.075	0.132	0.104	-0.146		
Other		0.365*	0.354~	0.349~		0.708**	0.696**	0.666**	0.693**	0.530		-0.058	-0.097	-0.073	-0.114	-0.015		
Working hours		0.006	0.007	0.007		0.016**	0.017**	0.017**	0.017**	0.017**		-0.007	-0.007	-0.006	-0.007	-0.007		
Employment situation partner																		
Permanent employment			ref.	ref.			ref.	ref.	ref.	ref.			ref.	ref.	ref.	ref.		
Temporary employment			-0.211	-0.185			-0.158	-0.125	-0.152	-0.133			-0.280	-0.268	-0.281	-0.343		
Unemployment			-0.339	-0.339			0.088	0.094	0.122	0.138			-1.476	-1.476	-1.458	-1.290		
Other			0.198~	0.198~			0.195	0.192	0.195	0.197			0.203	0.208	0.212	0.202		
Level of education partner																		
Low			ref.	ref.			ref.	ref.	ref.	ref.			ref.	ref.	ref.	ref.		
Intermediate			-0.165	-0.174			-0.280~	-0.288~	-0.271~	-0.289~			-0.043	-0.052	-0.050	-0.060		
High			-0.152	-0.162			-0.258	-0.278	-0.240	-0.258			-0.114	-0.122	-0.138	-0.115		
Unemployment rate	0.011	0.023	0.016	-0.117	0.005	0.024	-0.006	-0.200	0.066	-0.003	-0.016	-0.039	-0.062	-0.086	-0.725	-0.056		
Modernization	-1.465~	-1.445~	-1.443~	-1.475~	-1.082	-1.036	-1.154	-1.224	-1.203	-1.218	-1.832	-1.810	-1.830	-1.835	-1.748	-1.890		
Temporary employment*Unemployment rate				2.180*				2.896*						1.085				
Unemployment*Unemployment rate				0.812				2.997						-0.144				
Other*Unemployment rate				0.162				0.259						-0.059				
Unemployment rate*Intermediate									0.133						0.893			
Unemployment rate*High									-0.698						0.944			
Temporary employment*Intermediate										-1.192						-0.336		
Temporary employment*High										-0.918						-0.889		
Unemployment*Intermediate										-						0.886		
Unemployment*High										-						-0.225		
Other*Intermediate										0.151						-0.026		
Other*High										0.360						-0.483		
Log likelihood	-2936	-2933	-2928	-2926	-1470	-1464	-1461	-1458	-1460	-1459	-1463	-1461	-1458	-1458	-1457	-1457		
Degrees of freedom	17	21	26	29	16	20	25	28	27	31	16	20	25	28	27	31		
# transitions	573	573	573	573	287	287	287	287	287	287	286	286	286	286	286	286		
# episodes	64,482	64,482	64,482	64,482	32,003	32,003	32,003	32,003	32,003	32,003	32,479	32,479	32,479	32,479	32,479	32,479		

** p<0.01; * p<0.05; ~ p<0.10 (two-tailed test).

Source: Family Survey Dutch Population (2000).

insecurity in Models 2 and 3 with these effects in Model 1 shows, furthermore, that the effect of macro-economic circumstances on the first marriage is not explained by individual-level economic insecurity. Both types of insecurities have their own independent effect apparently.

Contrary to our expectations, interacting macro- and micro-level insecurities does not strengthen the (negative) effect on the likelihood of the first marriage, but increases the likelihood to marry for the first time. Model 4 demonstrates that when the unemployment rate is average, people with temporary jobs are less likely to marry ($b=-0.444$), while during an economic recession the likelihood to marry is actually bigger, compared to people with a permanent job ($b=1.033$). Looking at the separate models, this rather unexpected finding that rejects H3 seems to apply to women only. It suggests that women search for financial security through marriage when economic insecurities accumulate, which is perhaps not as unexpected as it initially seemed.

The results in the last two models show whether the impact of economic insecurities on the timing of the first marriage varies among people with different educational credentials. For both men and women the results in Model 5 are clear: None of the interaction terms between educational level and economic insecurities are significant, which implies that our data cannot support the idea that lower and higher educated individuals respond differently to macro-economic uncertainties (H4a and H4b). In Model 6 for men, we find, however, that the effect of a temporary job on the likelihood to first marry is positive for highly educated men. Although we hypothesized that higher educated men would be better able to support a family, we did not expect that a temporary job would be positively related to the first marriage, rejecting H5a. For women, the interaction terms show no significance in Model 6, rejecting also H5b. In this model we do find, however, that unemployed women are more likely to marry compared to permanently employed women. Again, this suggests that women search for financial security through marriage if they lack security in their career.

Transition into parenthood

Finally, the results of the piecewise-constant exponential models with regard to the transition into parenthood are summarized in Table 6.4. In contrast to the results regarding the first union and first marriage, macro-economic circumstances do not seem to affect the decision to start having children, neither among men nor women. This finding corresponds to the results of the descriptive analyses, but rejects our first hypothesis with regard to the effect of macro-economic conditions on having the first child. Also the second hypothesis, regarding employment insecurity is not supported with regard to the transition into parenthood. Model 2 and 3 show that none of the effects of individual employment insecurity, i.e. either due to temporary employment or unemployment, significantly affect the timing of the first childbirth. Fertility decisions hence do not seem to be based on economic arguments. In Model 4 we do find a positive interaction

between temporary employment and the unemployment rate. The gender-specific models show that this effect is only significant for men and implies hence that as unemployment is higher, men in temporary jobs are more likely to become father. This finding is rather unexpected and does not corroborate H3. An explanation for this effect might be that during an economic crisis, the reason for having a temporary job might be searched in the unfavourable economic circumstances. It could be that such men expect to find a better, more stable job when labour market perspectives improve and that the temporary job provides the perfect opportunity to start a family. Finally, according to Models 5 and 6, fertility intentions of lower and higher educated young people are not differentially affected by labour market insecurities. So, in line with the findings for the timing of the first union and marriage, we have to reject H4ab and H5ab.

6.6 CONCLUSION AND DISCUSSION

Family dynamics have considerably changed since the 1970s. In this chapter, we studied to what extent the likelihood of starting family formation (i.e. the first union, marriage, and parenthood), between 1970 and 2000 in the Netherlands, is affected by macro-economic and individual employment insecurities. We found that as aggregate unemployment rate is higher, all individuals (both men and women) are less likely to start the first union and marriage, but not the first child. Macro-economic adversity does hence clearly affect the decision to share a household together, either married or not, but once living together, the wish to have a child is not postponed, even if the economic circumstances are not so prosperous. This result may be understood by the fact that having a child is a very important decision in peoples' lives and cannot be postponed indefinitely due to fertility reasons. Additionally, in a welfare-state like the Netherlands, the government usually protects its citizens from economic deprivation, so they are provided with the necessary means to raise a family, in general.

The negative effect of macro-economic adversity on the first union and marriage is not channelled through the experience of individual employment security like temporary employment or unemployment. This implies that also people with a stable job are discouraged to start a family under adverse economic circumstances. Employment insecurity itself is no reason for postponing long-term family commitments, in general. With regard to a possible reinforcing effect of macro- and micro-level insecurities on family formation, the empirical support was scarce and not in the expected direction. It cannot be concluded hence that people in insecure employment situations are particularly less likely to start family formation in times of economic adversity. Finally, our findings also lack substantial support for the conclusion that men and women with varying educational levels are differently affected by macro- and micro-level insecurities in their decisions regarding family formation.

What are the implications of these findings? The main finding in this chapter is that economic conditions determine decisions regarding unmarried cohabitation or marriage in the Netherlands, but not regarding parenthood, at least not of the first child. Depending on how long couples postpone marriage during an economic recession, this implies that the time between marriage and becoming a parent decreases in such uncertain times or even reverses, resulting in a growth in non-marital fertility. Whereas in the pillarized society it was not socially accepted to become a parent without being married, extramarital births became more widespread since the 1980s in particular, as Figure 6.1 showed, which is also the period when the economy reached its nadir. This figure also showed that the difference in mean age at first marriage and first child decreased since the 1980s, as the age at first marriage increased faster than the age at first childbirth. Based on our findings, we can hence conclude that macro-economic insecurities are an important factor contributing to these changes in family dynamics in the last decades and should therefore be studied in future research, in addition to the more traditional explanations for demographic developments. Within this respect, it would also be interesting to study the period after 2000, including the mild recession around 2003 and the bigger economic recession starting in 2008, which has still not come to an end yet.

Based on our finding that micro-level insecurities do hardly interfere with decisions regarding family formation, the belief grows that spells of temporary employment and unemployment in the early career are not perceived as economically insecure as outsiders may assume. This is a positive message, in light of the ongoing process of labour market flexibilization in industrialized countries, like the Netherlands. Our results do not give rise to the idea that demographic developments in the Netherlands (continue to) stagnate due to an increasing share of precarious employment among people at a reproductive age. In conclusion, we like to make some comments on the research questions presented here. These questions assume that family formation is a desired outcome for every individual, and that postponement of marriage and parenthood is due to macro- or micro-level insecurities. It is hence not taken into account here that people may consciously decide to live alone, be unmarried, and be childless, even when they are in a serious relationship. We assume, however, that our conclusions are not biased by these possibilities, since it most likely concerns just a small group of people and no correlation is assumed between being voluntarily unmarried or childless and experiencing labour market insecurity.

Finally, the effects of micro-level insecurities on family formation have been studied by examining the labour market situation of both partners separately. It could be argued, however, that it is especially the combination of two insecure employment positions within a household that creates uncertainties leading to postponement of family formation. Future research could hence focus on the cumulative effect of employment insecurities within a household on family formation, which was not possible in this research due to data limitations.

7

Conclusion and discussion

7.1 INTRODUCTION

Work is a core activity in society: It determines individual's identity and connects people to each other (Kalleberg, 2009). Work hence takes an important place in people's lives. Until about the mid-1980s, work was quite evident to people. Standard employment arrangements were the norm, which implied that one usually had a fulltime job that lasted indefinitely and was directly supervised by the employer. Labour markets in (post-) industrialized countries have changed considerably in the last decades, and the nature of jobs changed accordingly. Since the mid-1980s, especially in the 1990s, employment relations became increasingly flexible, particularly at labour market entry. This implies that individuals, young people in particular, are increasingly employed in temporary jobs or through employment agencies nowadays, which is generally associated with much labour market insecurity. Considering the fact that the flexibilization of the labour market might have not reached its limits yet and is likely to continue in the (near) future, it is important to get more insight into the role of temporary employment in the lives of young individuals.

In this book, I aimed to find out how flexibilization of the labour market has affected and still affects the lives of young individuals. In order to do so I studied employment flexibility by (mainly) focusing on a single country, i.e. the Netherlands. The Netherlands provides an interesting case for analysing labour market flexibilization, as youth temporary employment increased more steeply in this country during the last decades than on average in Europe. This research is characterized by a comprehensive approach to get more understanding of the causes and consequences of labour market flexibilization for young individuals. This implies that, first, I studied which youth in particular experience increasing difficulties in entering the labour market in stable employment since the 1990s and why. Or in other words: What are the causes of employment flexibility? More specifically, I described and explained the education-specific trends in labour market flexibilization in the Netherlands by focusing on macro-economic conditions and structural developments (Chapter 2), I explained the education-specific trends in labour market flexibilization in Europe by additionally focusing on institutional characteristics (Chapter 3), and I investigated to what extent employment flexibility accumulates within Dutch households and why (Chapter 4). Second, I focused on how employment flexibility in the early career affects the lives of young individuals in the Netherlands, both with regard to the labour market and family formation. More specifically, I studied if and how employment flexibility in the first job influences early career developments in type of employment situation, occupational status, and income (Chapter 5) and to what extent macro- and micro-level employment insecurities decrease the likelihood to start family formation (Chapter 6).

In the remainder of this chapter, I will summarize the specific findings and conclusions of each empirical chapter, after having briefly recapitulated the research question(s) and my

expectations (section 7.2). In section 7.3, I will briefly answer the central research questions based on the specific conclusions of each chapter. A reflection on the scientific and societal implications of the findings in this book will be provided in sections 7.4 and 7.5, respectively. This chapter ends with a discussion of some limitations of the present study and, related to that, several directions for future research on employment flexibility (section 7.6).

7.2 SPECIFIC RESEARCH QUESTIONS WITH ANSWERS

7.2.1 Specific findings on the causes of employment flexibility

Chapter 2: Trends in employment flexibility among labour market entrants in the Netherlands

In Chapter 2, I described the trend in labour market flexibilization among labour market entrants in the Netherlands since about the 1990s. The aim of this chapter was to give more insight into the extent to which macro-level changes in the labour market, i.e. into the direction of flexibilization, have actually translated into micro-level reactions, i.e. employment flexibility at labour market entry among Dutch youth. In general, I expected to find a positive trend for Dutch youth, but I also supposed it would be particularly visible among the least qualified, as it is often argued that especially socially deprived groups of young workers are the victims of labour market flexibilization and that already existing social inequalities intensify as the stock of flexible employment relations increases (Breen, 1997; van der Velden & Wolbers, 2003). Finally, I searched for explanations for these (presumed) upward trends among lower and higher educated labour market entrants by studying the influence of structural developments (i.e. economic globalization), controlled for macro-economic conditions (i.e. aggregate unemployment rate). The research questions that I posed in this chapter and the brief answers to these questions read:

To what extent does flexibilization of the labour market actually lead to more employment flexibility among Dutch labour market entrants since the 1990s? To what degree do educational differences exist in this trend? To what extent can structural developments, controlled for macro-economic conditions, explain these developments?

The flexibilization of the labour market led to an increase in employment flexibility among Dutch labour market entrants from 22 per cent in 1992 to almost 30 per cent in 2007. Also relative to both permanent employment and unemployment, employment flexibility increased since the 1990s. For higher educated, the increase in employment flexibility particularly implies a decrease in unemployment, while for lower educated, the increase in employment flexibility particularly implies a decrease in permanent employment. Structural developments, i.e. economic globalization,

controlled for macro-economic conditions, explain the rise in temporary compared to permanent employment, especially among lower educated labour market entrants. Structural developments also explain the rise in temporary employment compared to unemployment, but not the differences between lower and higher educated labour market entrants.

The answers to these descriptive and explanatory questions are based on the analysis of repeated cross-sections of the Dutch Labour Force Survey (LFS) for the period 1992-2007, representing 16,447 labour market entrants. More specifically, multinomial logistic regression models were estimated in which I contrasted temporary employment with both permanent employment and unemployment. In fact, I analysed a relative trend in flexible employment relations, which has the advantage that it provides insight into total changes in the structure of the Dutch labour market since the 1990s, as this indicates whether an increase in flexible employment relations implies a decrease in standard employment relations over the years, like permanent jobs, or whether it succeeds in combating unemployment or both perhaps. The implications of both trends in employment flexibility diverge substantially. It may however well be that the benefits of more flexible employment relations, i.e. as alternatives to unemployment, will accrue to higher educated youth in particular, while the lower educated youth profit less from such benefits and might find more difficulties in finding permanent jobs. Although my intention is not to judge on whether employment flexibility is 'good' or 'bad', I believe this more detailed information is valuable and provides better insights into the processes that have actually occurred in the Dutch labour market in the last decades and into the implications of these developments for different social groups.

The results presented in Chapter 2 clearly suggest a trend towards more flexible employment relations among school-leavers in the Netherlands. Although the observed trend showed some fluctuations, in general, the likelihood of entering the labour market in a temporary job increased between 1992 and 2007, i.e. from 22 per cent in 1992 to almost 30 per cent in 2007, as Figure 2.3 showed. Also relative to both permanent employment and unemployment the number of labour market entrants in temporary jobs increased during this period. The results furthermore showed that the upward trend in temporary employment at the expense of permanent employment is weaker for higher educated people, which implies that the negative side of employment flexibility disproportionately pertains to lower educated people. Compared to higher educated people, they are increasingly likely to have a temporary job instead of a permanent one, which increases employment insecurity. With regard to the upward trend in temporary employment as alternative to unemployment, the results confirmed my expectation that this would be particularly visible among higher educated people. Lower educated hence profit less from the positive side of labour market flexibilization and are 'victims' of the negative side of employment flexibilization. This implies that the least qualified youth are

double disadvantaged by the flexibilization of the labour market and that social inequalities between youth with different educational credentials increase, as the labour market becomes (even) more flexible.

In order to explain these diverging trends in employment flexibility among youth with different educational credentials, I examined the role of structural developments, i.e. economic globalization, controlled for macro-economic circumstances. The results in Chapter 2 showed that, in general, economic globalization is associated with more temporary employment. More specifically, I found that the positive effect of economic globalization on the likelihood of temporary instead of permanent employment is higher among lower than higher educated labour market entrants. The negative implications of labour market flexibilization hence develop to the detriment of lower educated people as economic globalization further develops. This confirms my expectation that due to the upgrading of the labour market because of globalization, higher educated more often practise jobs in which they possess specialized knowledge. This makes them attractive employees, even in times of high macro-level uncertainties. Employers are hence more often willing to reward higher educated with long-term employment contracts in such circumstances, which protects higher educated to a certain extent from the more insecure temporary jobs, especially compared to lower educated, who can be more easily replaced by other workers in the labour market.

The findings in Chapter 2 furthermore showed that economic globalization was not able to explain increasing educational differences in the occurrence of temporary employment as alternative to unemployment. In general, it was found, though, that economic globalization positively affects the likelihood to have a temporary job instead of being unemployed. It was argued that globalization leads to jobs demanding more specialized knowledge from employees, as the complexity of jobs increases in parallel with technological advancements (i.e. the process of 'skill-biased technological change' [Katz & Autor, 1999]). In addition, the number of jobs for higher skilled workers was expected to increase as globalization further develops. Both the increase in the quality and quantity of jobs for higher educated would favour them instead of lower educated individuals. Although higher educated people, in general, are less likely to be in temporary employment, they might use it as a strategy to avoid not having a job at all. If the number of available highly skilled jobs is not sufficient to provide all higher educated labour market entrants with a job at their educational level, they can still choose to accept a (temporary) lower-skilled job, which is not possible for lower educated people. This is also referred to as 'crowding-out' (Borghans & de Grip, 2000). In brief, higher educated would hence have more opportunities to avoid unemployment, resulting in a discrepancy in the positive effect of globalization on the likelihood of temporary employment as against unemployment, in favour of the higher educated. The findings in Chapter 2, however, do not support these expectations. The creation of temporary jobs in the globalized labour market appeared to be an effective solution to unemployment, in general, but not for higher educated in particular.

Chapter 3: The impact of macro-economic, structural, and institutional characteristics on youth labour market integration across Europe

In Chapter 2, I focused on structural explanations for the flexibilization of the labour market, controlled for business cycle effects. I did so by studying employment flexibility within the Netherlands over time. This research approach does not allow to include more static country characteristics that do not change much over time, such as the institutional context. The way through which macro-level developments affect micro-level outcomes with regard to employment flexibility is likely to be filtered through the specific Dutch institutional context, however. In Chapter 3, I therefore added this context as an additional explanation to structural and macro-economic explanations of employment flexibility studied in Chapter 2. I did so by making a cross-national comparison of employment flexibility (and unemployment) in Europe since the 1990s. With regard to this specific institutional context, I first studied to what extent characteristics related to the educational system, i.e. vocational specificity, provide explanations for cross-national variation in employment flexibility and unemployment. Second, I examined to what degree institutional characteristics with regard to the labour market, i.e. employment protection legislation, account for these relations. In line with Chapter 2, I additionally studied whether the impact of macro-level characteristics on employment flexibility (and unemployment) differs across individuals from diverging educational backgrounds. The research questions of Chapter 3, including brief answers, are:

To what extent do macro-economic, structural, and institutional characteristics explain differences in youth labour market integration across European countries since the 1990s? To what degree do educational differences exist in the impact of these macro characteristics?

Labour market integration of young people in Europe is systematically structured by macro-economic, structural, and institutional characteristics. As aggregate unemployment is higher, youth labour market integration runs less smoothly, but particularly among lower educated labour market entrants. As the level of economic globalization is higher, youth labour market integration runs more smoothly, equally among all educational groups. As vocational education is more specific, youth labour market integration runs more smoothly, especially among intermediate and higher educated labour market entrants. As EPL is stricter, youth labour market integration runs less smoothly, especially among higher educated labour market entrants.

The answers to these questions are based on the analysis of European Social Survey data from 2002, 2004, 2006, and 2008, representing 18,956 young individuals in 29 countries, who left school between 1992 and 2008. Multilevel multinomial logistic regression models were estimated to analyse these data, in which I contrasted temporary employment and unemployment with permanent employment.

The findings in Chapter 3 indeed showed that the labour market integration of young people in Europe is systematically structured by macro-economic, structural, and institutional characteristics. Of these different types of explanations, the vocational specificity of the educational system appeared to be most important in explaining employment flexibility and economic globalization was the strongest factor in explaining youth unemployment.

With regard to macro-economic conditions, the findings in this chapter implied that as aggregate unemployment is higher, youth labour market integration runs less smoothly, implying that youth are more often in temporary employment or unemployment instead of in permanent employment. In addition, higher educated labour market entrants appeared to be less vulnerable for temporary employment during economic recessions than lower educated. This supports the idea that employers transfer labour market insecurities mainly to lower skilled employees, who can be more easily submitted to direct supervision and replaced by new workers than higher skilled employees.

Like in Chapter 2, the impact of economic globalization as structural factor was investigated. In contrast to the findings in the previous chapter, i.e. that economic globalization induced employment flexibility, both at the expense of permanent employment and as alternative to unemployment, in Chapter 3 it was found that youths' labour market integration improved with higher levels of globalization, since the likelihood of temporary employment and unemployment versus permanent employment appeared to reduce. Youth labour market integration runs more smoothly in more globalized contexts hence. In addition, this does not seem to be different for people with diverging educational backgrounds. Although the findings in both chapters seem to contradict each other initially, they can be reconciled with each other in the following way. Within industrialized countries, like the Netherlands, higher levels of economic globalization lead to growing global competition between firms and increasing insecurity among employers. This, in turn, makes them seek for more flexible employment relationships, especially among lower educated young workers. Economic globalization, however, also indicates how well a national economy flourishes and is integrated in global economic exchange (Golsch, 2008, p. 32), which is reflected by economic flows of trade, foreign direct investments, and portfolio investments, as well as income payments to foreign nationals. Across (post-)industrialized countries, economic globalization might thus well be associated with more economic prosperity and hence positively affecting youth labour market integration. Additional analyses on the European Social Survey indeed showed that *within* most of the European countries, the level of economic globalization was positively related to temporary employment over time, whereas *across* countries a negative relation was observed.

Finally, in Chapter 3, the role of institutional characteristics in explaining cross-national variation in youth labour market integration was studied, which is the most important contribution of this chapter compared to Chapter 2. The findings regarding the educational

system were unambiguous: As vocational education is more specific, youth labour market integration involves fewer difficulties, i.e. in terms of a lower likelihood of temporary employment and unemployment versus permanent employment. In general, the link between the knowledge and skills acquired through education and their benefits in the labour market are stronger when the educational system is more vocationally specific. Employers have better understandings of the capacities of school-leavers in such systems, which is rewarded by offering more stable employment contracts already at labour market entry. It also appeared, however, that these benefits only pertain to youth actually possessing such diplomas: Young people with lower education face more difficulties in finding permanent employment when diplomas provide clear signals to employers about the knowledge and skills of prospective employees.

Also with regard to the strictness of employment protection legislation, the findings were clear. In countries in which the distinction between insiders and outsiders in the labour market is more pronounced (due to stricter EPL), youth experience more difficulties in labour market integration. In such countries, employment of incumbent workers is more strongly protected, reducing the possibilities of young people to find a stable job when entering the labour market. Higher levels of unemployment and temporary employment among labour market entrants are the result, particularly among higher educated (as regards the likelihood of unemployment). This is understandable, as highly skilled jobs in particular are located in more regulated labour market segments with higher hiring and firing costs.

Reflecting on the conclusions on both institutional characteristics studied in Chapter 3 sheds some light on the specific findings on employment flexibility for the Netherlands in Chapter 2 and enables to put the latter in an international perspective. Like described in section 1.3.3 on the Dutch institutional context, the Dutch educational system is highly stratified and standardized. In such systems, the link between education and job requirements is strong and employers are usually well informed on the skills and capacities of graduates. Vocational training is mainly organized through theoretical training in vocational schools in the Netherlands. The degree of standardization of the Dutch educational system is hence higher than in many other European countries with on-the-job training (like Great Britain), but somewhat lower than the highly standardized dual system combining theoretical learning at school with work experience, like in other countries (for instance, Germany). The descriptive figures in section 3.4.1, in which the share of temporary employment and unemployment is plotted against the four macro-level characteristics, confirm this position of the Dutch educational system within a European context. In section 1.3.3, I also described that the Dutch labour market is characterized by a rather clear distinction between insiders and outsiders: EPL for permanent jobs in the Netherlands is relatively strict (but among OECD average), while regulation of temporary work is quite liberal. Figure 3.2 in section 3.4.1 also shows that the strictness of EPL in the Netherlands is among average in Europe. These institutional char-

acteristics of the Netherlands predict opposing expectations with regard to youth labour market integration in this country, but as the vocational specificity of the educational system appeared to be particularly relevant in explaining temporary employment among youth, combined with relatively low levels of unemployment and high levels of globalization in the Netherlands, I conclude that Dutch youth experience rather smooth labour market integration from a European perspective.

Chapter 4: Employment flexibility among young couples in the Netherlands

In the previous two chapters, I studied the extent to which young individuals have become more likely to have a temporary job since the 1990s. In Chapter 4, I turned to a couple perspective instead, by investigating to what extent employment flexibility accumulates within Dutch households. The reason for expecting an association between partners' employment flexibility stemmed from previous studies on coupled careers, indicating that partners' employment situations are positively related to each other (see, among others, Bernasco et al., 1998; Verbakel et al., 2008). In light of the trend towards labour market flexibilization, it seemed obvious to adjust the traditional division between employment and unemployment, as investigated in previous studies, by distinguishing between permanent and temporary employment instead of employment. Studying the association between partners' employment flexibility reveals to what extent social inequalities between households in the Netherlands are growing in parallel with the flexibilization of the labour market since the 1990s. Accumulation of temporary employment within households could, for instance, counteract joint decisions of partners such as marriage or having children. In addition to studying if and what kind of relationship exists between partners' employment flexibility, I tried to explain this (positive) relationship by focusing on mechanisms of assortative mating, shared labour market restrictions, and partner effects. The research questions in Chapter 4 and the brief answers to these questions are:

How is employment flexibility of young people related to employment flexibility or unemployment of their partner in the Netherlands since the 1990s? How can this relationship be explained?

Young people's employment flexibility is positively related to employment flexibility or unemployment of their partner in the Netherlands between 1992 and 2007. Assortative mating and the existence of partner effects explain this positive association, whereas shared labour market restrictions do not account for this relationship.

The answers to these questions are based on the analysis of repeated cross-sections of the Dutch Labour Force Survey (LFS) for the period 1992-2007, representing 87,204 couples (or 174,408 individuals) up to 39 years old. Multinomial logistic regression analysis was applied to estimate the association between partners' employment situation and to estimate the

effects of the various explanations for this association. Temporary employment and unemployment were both compared to permanent employment, and men and women were analysed separately.

The findings in Chapter 4 showed that, in accordance with theories on homogamy (see, for instance, Kalmijn, 1998), young people's employment flexibility indeed positively relates to employment flexibility or unemployment of their partner. In line with previous research also permanent employment and unemployment appear to come in couples. Although it can be argued that the number of households 'united' in employment flexibility might still be rather low today and the consequences of this accumulated employment insecurity might hence not seem to be too serious, a further increase in the number of individuals that is in such precarious employment situations might be expected in the near future, in light of the trend towards labour market flexibilization. This also implies that more and more young couples will be involved in much financial insecurity, which might hinder them in starting a family, for instance.

To explain the positive relationship between partners' employment flexibility (or unemployment), I posed three types of explanations in Chapter 4, i.e. assortative mating, shared restrictions, and partner effects. First, I found that assortative mating can indeed partially account for the positive association between young people's employment flexibility and employment flexibility or unemployment of their partner. This implies that partners select each other on the basis of similar characteristics, like level of education, age, and ethnicity, which are associated with an increased or decreased likelihood of temporary employment. Second, I did not find support for the explanation of shared restrictions. Apparently, the fact that both partners face the same labour market circumstances, like a similar aggregate unemployment rate and level of economic globalization, did not explain (part of) the positive association. Third, as the positive relationship between young people's employment flexibility and employment flexibility or unemployment of the partner still existed after ruling out the first two explanations, I concluded that partner effects are also present. In case of a positive association between precarious types of employment, like here, it might be better to speak of a 'lack of partner effects', however. Partner effects refer to the positive effects of one's human, cultural, and social capital on the employment situation of one's partner. In the same way, absence of such capital, which is more likely when partners are in temporary employment or in unemployment, may prevent individuals from helping their partner.

7.2.2 Specific findings on the consequences of employment flexibility

Chapter 5: Consequences of employment flexibility at labour market entry for early career developments in the Netherlands

In Chapters 2, 3, and 4, I focused on the causes of employment flexibility among labour market entrants and studied the association between employment flexibility of two partners at the household level. In the subsequent two chapters, I turned to the

consequences of employment flexibility among labour market entrants. More specifically, in Chapter 5, I studied if and how employment flexibility in the first job affects different early career outcomes, i.e. the subsequent labour market situation, occupational status, and income growth. In the literature, opposing theories on the consequences of temporary employment are used, i.e. 'bridge' or 'stepping-stone' theories versus 'trap' theories (see, among others, Gash, 2008; de Graaf-Zijl et al., 2011; Scherer, 2004). Trap theories predict that temporary employment at labour market entry has a lasting negative impact on further career developments, so-called scar effects. Theories on which such a negative effect is based are labour market segmentation theory (Doeringer & Piore, 1971), signalling theory (Spence, 1973), and human capital theory (Becker, 1964). According to bridge or stepping-stone theories, negative effects of a flexible start are temporary and fade over time or might not even exist at all. The latter theories hence predict that temporary employment at labour market entry might have certain 'penalties', but these are strongest in the beginning of the career and diminish or even disappear later on. Temporary employment might hence function as a step towards more regular employment later on.

In testing both theories in Chapter 5, I aimed to bring both theories a step further by differentiating the consequences of temporary employment between social groups, i.e. lower and higher educated labour market entrants. It is argued, in the literature, that particularly socially deprived groups of young workers are 'victims' of employment flexibility (Breen, 1997; Kalleberg, 2009). Already existing social inequalities would hence intensify as the labour market becomes more flexible. Lower educated with a temporary contract at labour market entry would thus be more prone to repeated cycles of temporary employment, whereas higher educated move faster to regular jobs. Bridging theories could hence be more applicable to higher educated, while entrapment theories seem to be mainly true for lower educated. The research questions posed in Chapter 5, including brief answers, read accordingly:

To what extent does a flexible entry in the labour market negatively affect early career developments (in terms of subsequent labour market position[s], occupational status attainment, and income growth) of Dutch labour market entrants since the 1990s? To what degree is this predicted negative effect (long) lasting? To what extent do educational differences exist in this relationship?

Dutch labour market entrants in temporary jobs are more likely to stay in temporary employment, become unemployed, attain lower occupational status, and earn less income in the early career than those who start in permanent employment. These negative effects of temporary employment at labour market entry are only temporary and diminish after some years in the labour market. In addition, they do not differ between lower and higher educated labour market entrants.

The answers to these questions are based on the analysis of Dutch labour market entrants who left school between 1986 and 2008 and participated in the (OSA) Labour Supply Panel (waves 1988-2008). Early career development (in the first eight years after labour market entry) was studied through three different outcomes: i.e. labour market situation, occupational status, and level of income. To study the subsequent labour market situation(s), multilevel multinomial logistic regression models were estimated in which I contrasted temporary employment and unemployment with permanent employment. To this extent, 473 respondents were selected representing 901 observations. The findings on occupational status development and income growth are based on growth curve models (two-level linear regression models) for 973 and 899 respondents respectively, representing 1,831 and 1,621 observations.

The findings in Chapter 5 unambiguously showed that school-leavers who enter the Dutch labour market in a temporary job are more likely to stay in temporary employment, become unemployed, attain lower occupational status, and earn less income in the early career than those who start in a permanent job. The detrimental effects of temporary employment at labour market entry, however, are only temporary and diminish after some years in the labour market. This provides evidence for the bridge or stepping-stone hypothesis that the negative effects of temporary employment at labour market entry on the early career of school-leavers are persistent but not permanent, as was predicted by the entrapment hypothesis. Finally, the results in Chapter 5 led to the conclusion that the negative consequences of temporary employment at labour market entry for the early career do not differ between lower and higher educated school-leavers. Apparently, in the Netherlands, long term risks and uncertainties in the career are not directly transferred to the more vulnerable, lower educated part of the labour force in particular.

Chapter 6: The impact of macro-economic adversity and employment flexibility on family formation in the Netherlands

In Chapter 6, I studied consequences of employment flexibility for family formation. In general, it was expected that the financial burden of unstable employment in the early career as determined in Chapter 5, such as a temporary job, combined with the fact that employment flexibility is likely to come in couples, as concluded in Chapter 4, might prevent young couples from long-term commitments, especially concerning marriage and parenthood (Mills & Blossfeld, 2005). In Chapter 6, not only micro-level insecurities were taken into account, but it was also studied to what extent macro-economic insecurities, like high unemployment rates, are interpreted by micro-level insecurities like temporary employment, and to what extent both types of insecurity strengthen each other in negatively affecting the likelihood that couples start cohabiting, get married, or decide to have children. Finally, macro- and micro-level insecurities were expected to differently affect men and women from various educational backgrounds in taking decisions regarding (long-term) family commitments. The research questions posed in

Chapter 6, including brief answers, were the following:

To what extent do macro-economic insecurities decrease the likelihood of family formation among young individuals and their partner? To what extent can this negative relationship be explained by employment insecurity? To what degree is the negative effect of employment insecurity on the likelihood of family formation strengthened by macro-economic insecurities? To what extent do the negative effects of macro-economic insecurities and employment insecurity on the likelihood of family formation vary between men and women with different educational qualifications?

Macro-economic insecurities, i.e. high unemployment rates, decrease the likelihood of starting the first union and marriage, but not of the first child. These negative effects on the first union and marriage are not explained by individual employment insecurity. In fact, negative effects of individual employment insecurity on family formation are absent. Macro-economic insecurities and individual employment insecurity do not reinforce each other in their – if existent – negative effects on family formation, nor do they vary between individuals with different educational qualifications.

The answers to these questions are based on event history analysis of the Family Survey Dutch Population 2000, representing 365 male and 364 female partners. More specifically, the monthly hazard rates of experiencing the transition into first union, first marriage, and parenthood after the start of the relationship were analysed by applying piecewise-constant exponential models. The findings in Chapter 6 showed that macro-economic insecurities, i.e. high unemployment rates, decrease the likelihood of starting the first union and marriage among men and women, but not of the first child (controlled for [un] married cohabitation). Macro-economic hardship does hence clearly affect the decision of two partners to start a household together, but once they live together (either married or unmarried), they do not postpone their wish to have a child, even if the economic circumstances are not that prosperous. Although I expected that this negative effect of macro-economic hardship would be channelled through the experience of individual employment security, like temporary employment or unemployment, the results of Chapter 6 did not support this hypothesis. Macro-level insecurities are hence not channelled through micro-level insecurities, which implies that also people who currently experience employment security (i.e. through a permanent job position) are discouraged to start a family if the economic climate is less prosperous. Furthermore, it appeared that employment insecurity itself, i.e. being in temporary employment or unemployment, does not prevent people from making long-term family commitments, in general. With regard to the possible reinforcing effect of macro- and micro-level insecurities on family formation, the empirical support in Chapter 6 was scarce. As the observed

interaction effects between insecurities at both levels were usually in the opposite direction of my expectations, it could not be concluded that postponement of family formation due to individual employment insecurity only or especially occurs in times of economic adversity. Finally, the results in Chapter 6 also lack substantial support for the conclusion that men and women with varying educational levels are differently affected by macro- and micro-level insecurities in their decisions regarding family formation.

7.3 CENTRAL RESEARCH QUESTIONS WITH ANSWERS

In section 7.2, I have discussed the answers to the specific research questions on employment flexibility of each separate empirical chapter of this book. In Figure 7.1, these findings are summarized in a schematic overview. In this section, I will provide brief answers to the central research questions on the causes and consequences of employment flexibility that I posed in Chapter 1. In sections 7.4 and 7.5, I will shed more light on these conclusions by discussing their scientific and societal implications.

7.3.1 General findings on the causes of employment flexibility

The first central research questions, on the causes of employment flexibility, including brief answers, read:

RQ1a: To what extent does flexibilization of the labour market cause employment flexibility among labour market entrants in the Netherlands since the 1990s? To what extent does employment flexibility accumulate within young Dutch households?

Flexibilization of the labour market has increased the likelihood to enter the labour market in temporary employment substantially in the Netherlands since the 1990. In addition, youth with temporary jobs are more likely to have a partner in temporary employment or unemployment, implying that employment flexibility accumulates within Dutch households.

RQ1b: To what degree do macro-economic circumstances, structural developments, and institutional characteristics cause educational differences in employment flexibility among youth?

Macro-economic adversity, i.e. high aggregate unemployment, leads to more employment flexibility, especially among lower educated labour market entrants. Structural factors, i.e. economic globalization, lead to more employment flexibility within a country, especially among lower educated labour market entrants, but to less employment flexibility across countries. Institutional characteristics with regard to the

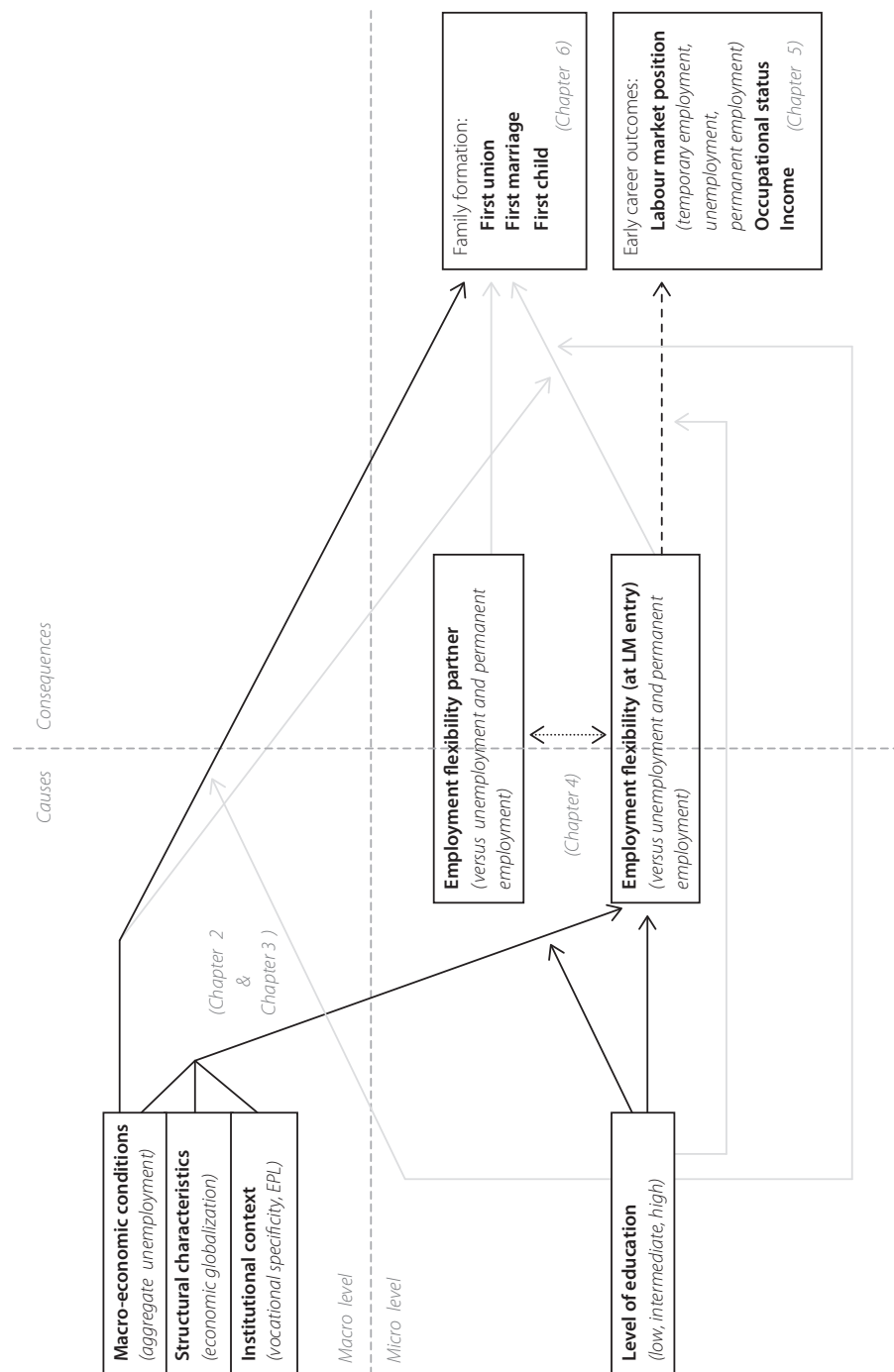


Figure 7.1 Schematic overview of the causes and consequences of employment flexibility observed in this book.

educational system, i.e. vocational specificity, lead to less employment flexibility, only among intermediate and higher educated labour market entrants. Institutional characteristics with regard to the labour market, i.e. employment protection legislation, lead to more employment flexibility, equally for all educational groups.

7.3.2 General findings on the consequences of employment flexibility

The second set of central research questions, on the consequences of employment flexibility, including brief answers, was:

RQ2a: What are the consequences of employment flexibility among Dutch labour market entrants for subsequent career developments of individuals and for decisions regarding family formation of individuals and their partners?

Subsequent career developments are initially negatively affected by temporary employment at labour market entry, which translates into an increased likelihood to stay in temporary employment, become unemployed, attain lower occupational status, and earn less income in the early career, but these negative effects diminish after some years in the labour market. Employment flexibility in the early career does not interfere with decisions regarding family formation, i.e. the first union, marriage, or child.

RQ2b: To what degree do educational differences exist in the consequences of early career employment flexibility?

Educational differences in (negative) consequences of early career employment flexibility with regard to subsequent career developments and family formation do not exist.

7.4 SCIENTIFIC IMPLICATIONS

In the first chapter, I mentioned six ways in which this study could contribute to the existing (scientific) knowledge on employment flexibility. In this section, I will reflect on these issues and briefly discuss the extent to which I believe to have succeeded in my improvements upon previous research.

First, I aimed to provide a complete picture of the role of temporary employment in young peoples' lives in the Netherlands by studying the *causes* of employment flexibility among labour market entrants and the *consequences* once having a temporary job for different life domains of young people, i.e. work and family related. I believe that approaching employment flexibility from these both angles has provided some important insights into the size and seriousness of temporary employment as a potential problem among youth. That the labour market has become more flexible in recent decades seems undisputed, but the extent to

which this macro-level development actually translated into micro-level employment flexibility and what this specifically implies for young people was not yet known exactly.

Within this respect, also the second contribution that I pursued is relevant, i.e. studying the relative position of temporary employment with respect to permanent employment and unemployment differentiated by social groups, to provide a more nuanced picture of temporary employment in the Netherlands. The findings in this study have revealed, on the one hand, that the flexibilization of the labour market entailed that all youth have become more likely to get a temporary job at labour market entry, but also that the implications of these trends diverge between youth, depending on what temporary employment is compared to (i.e. permanent employment or unemployment) and on educational qualifications. On the other hand, the findings in this book have shown that if young people are temporarily employed in their early career, the consequences with regard to further career developments and family formation are not that severe. Based on the findings in this book, I can thus provide not only a more *complete* picture of the role of temporary employment in the lives of Dutch youth, but also a more *nuanced* picture with regard to specific implications of the flexibilization of the labour market. In section 7.5, on the societal implications of my findings, I will elaborate more substantively on this.

Third, I aimed to test various macro-level explanations against each other in explaining micro-level employment flexibility. More specifically, I studied the effects of macro-economic conditions (i.e. aggregate unemployment), structural developments (i.e. economic globalization), and institutional characteristics with regard to the educational system (i.e. vocational specificity) and the labour market (i.e. employment protection legislation). I proved, in this study, that all these types of macro-explanations have their own relevance in explaining employment flexibility. Structural developments explain why the share of youth in temporary jobs increases over the years, macro-economic conditions explain why this trend is not monotonous but fluctuates to some extent, and the institutional context explicates why labour market integration in the Netherlands is still rather smooth, from a European perspective. Studying these macro-level explanations also revealed more specific knowledge that is highly relevant, i.e. that social groups are differentially affected by macro-level processes or characteristics. This implies that social inequalities in employment flexibility are changeable over time but also influenceable, for instance through institutional reforms.

Fourth, I have tested conventional theories on the consequences of temporary employment, i.e. 'bridge' or 'stepping-stone' versus 'trap' theories, more strictly in this study. I did so by studying not only what the effects of a temporary first job on the early career are (for three different labour market outcomes), but also if these effects are lasting throughout the early career. In addition, I studied if the negative effects differ between social groups as the bridge versus trap theories provide indications for deriving more specific expectations for lower and higher educated. Although the findings in this study supported the bridge or stepping-stone theories, as indeed the negative effects of a first

temporary job diminish after some years in the labour market, no support was found for the existence of educational heterogeneity in the negative effects. These findings need to be interpreted with caution due to a (possible) lack of statistical power in analysing educational differences, which makes it difficult to draw further conclusions with regard to the bridge and trap theories.

Fifth, I have shown in this book that employment flexibility is not just an individual matter, but that it is likely to occur with partners of young temporary employees as well. This implies that temporary employment accumulates within households and social inequalities increase between households as the labour market becomes more flexible. I will elaborate on this more substantively in section 7.5, but these findings show that it is relevant to take account of the role of the partner in studying causes and consequences of employment flexibility.

Sixth, using various large-scale data sources enabled to answer different types of questions and to apply advanced statistical regression techniques in this book. Reflecting on the findings, in relation to the specific data sources used, leads to some reservations with regard to several conclusions drawn. More specifically, this pertains to the conclusions regarding the consequences of employment flexibility, both with respect to early career developments and family formation, and regarding the educational heterogeneity in these effects. Whereas on the causes of employment flexibility, clear and significant findings were generally found, also on educationally heterogeneous effects, the (long-term) consequences of employment flexibility and differences between social groups herein could not be confirmed. Although, based on my findings, I conclude that these (education-specific) consequences are absent, this should be regarded as a preliminary conclusion. A reason for not finding more significant effects could be a lack of statistical power of the data used for analysing the consequences, i.e. the OSA Labour Supply Panel and Family Survey Dutch Population. Selecting labour market entrants or youth in temporary employment in these data reduced the number of respondents in the analytical sample significantly. Especially with regard to the estimation of interaction effects with level of education, this could be problematic. Replications of these analyses with larger datasets would thus be recommendable before drawing more solid conclusions on possible consequences of employment flexibility.

7.5 SOCIETAL IMPLICATIONS

Flexible employment relations are frequent topics of discussion in media and politics nowadays. Growing concerns are being expressed regarding the increase in temporary employment, suggesting that such insecure jobs at labour market entry are becoming the rule rather than the exception nowadays. The flexibilization of the labour market, since the 1990s, can be understood as a response to the high unemployment rates in the 1980s,

especially among youth, who were considered to be a 'lost generation'. In 1984, youth unemployment even reached a level of 25 per cent, for instance. Creating temporary jobs initially seemed to be a welcome solution to these high youth unemployment rates. The negativity that nowadays stems from media messages and prevails among politics with regard to temporary jobs among youth suggests that this solution might not have been ideal and that the current labour market may have become too flexible. Again, youth are sometimes considered as a 'lost generation' today, when their current labour market chances are being discussed. The key question seems to be if temporary employment offers young individuals a chance to gain work experience, because otherwise they would be unemployed, or if it comes at the expense of the number of permanent jobs. In other words: Does flexibilization of the labour market create new jobs or replace existing (more secure) employment? In this book, I have aimed to provide a complete and nuanced picture of the flexibilization of the labour market and the role of temporary employment in the lives of young individuals in the Netherlands. My findings have some important societal implications.

In general, the flexibilization of the labour market entailed that all youth have become more likely to get a temporary job at labour market entry since the 1990s, but the implications of these trends diverge between youth. For lower educated labour market entrants, the negative side of flexibilization seems to dominate, i.e. their chances on a stable, permanent job have decreased while temporary jobs have become more likely over the past decades. Although higher educated youth have also become more likely to get temporarily employed, for them it more often functions as a way to prevent unemployment. The benefits of more flexible labour markets hence seem to accrue to people with more educational credentials, while the disadvantages mainly pertain to youth with fewer educational credentials. Lower educated youth hence seem to be double disadvantaged as the labour market becomes more flexible and social inequalities increase, accordingly. The findings in this study also showed that the impact of the flexibilization of the labour market reaches beyond individuals and concerns households too. The likelihood to have a partner with a temporary job (or in unemployment) is higher when an individual has a temporary job than when (s)he has a permanent job. Although, today, still most individuals with temporary jobs and a relationship have a partner that is permanently employed, these findings imply that in the near future a growing number of households will be confronted with such double long-term employment insecurity, as the trend towards flexibilization of the labour market continues. This accumulation of employment flexibility within households increases social inequalities between Dutch households. At one extreme, there are households experiencing much security due to double permanent employment, while at the other extreme there are households experiencing much insecurity due to double temporary employment, unemployment, or a combination of both. In between are, of course, households in which secure and insecure employment is combined, but this group should decrease in relative size as the labour market becomes more flexible, at the cost of both 'extreme' groups of households.

When it comes to the consequences of early career employment flexibility for further career developments and family formation, the findings in this book paint a rather clear picture. Labour market entrants in temporary employment experience increased chances to stay in temporary employment or to become unemployed, attain lower occupational status, and earn less income than entrants in permanent jobs. Although these are unwelcome effects, these negative consequences generally fade away after a few years in the labour market. The fact still remains that young people in temporary jobs have to face and accept these inconveniences in their career, initially. This is likely to generate (high levels) of stress and other inconveniences among labour market entrants that are not studied in this book. For instance, one has to apply for a new job rather soon after starting the previous one, which usually requires much time and energy. Also, one might not feel that much integrated in and attached to a new workplace, knowing that the job may last for only a short period of time. Finally, the possibilities for getting a mortgage (with insurance) are likely to decrease in case of temporary employment, regardless of whether temporary workers themselves feel secure enough to take responsibilities like the purchase of a house. With regard to family formation, i.e. starting (un)married cohabitation, marriage, or having a first child, the findings in this book did not point towards any negative outcomes of early career temporary employment. Although these findings should be regarded as preliminary, as I have explained before, this is still a positive message that might reassure youth possessing such precarious labour market positions nowadays. Finally, although substantial long-term consequences of early career temporary employment could not be proved in this study, the insecurities that are associated with such employment and the fact that social inequalities between individuals and households grow as the labour market becomes more flexible seem to give reasons for reducing further flexibilization of the Dutch labour market, especially among lower educated youth, for whom this process seems to be the most unwelcome. This would only be effective, though, if it does not create more unemployment instead. The findings in this book indicate, at least, that the problems young people face when entering the labour market can be reduced, apart from creating a well functioning economy. First, it seems beneficial to strengthen the link between education and the workplace, particularly by improving vocationally oriented education. Employers often prefer a well-trained apprentice to a graduate with an unsuitable degree. Although vocational education in the Netherlands is already rather specific, as it is organized through theoretical training in vocational schools, the dual system in Germany, combining theoretical learning at school with practical work experience in companies, could serve as an example to make the link between Dutch vocational education and the labour market even stronger, which could improve the transition from education to work for young people. This would imply that on-the-job training in companies should be more implemented in Dutch vocational education than it is now. With regard to the finding that lower educated labour market entrants are actually disadvantaged in educational systems with more elaborated vocational education

as it enhances their likelihood to be in temporary employment, it also seems beneficial to start vocational education already early in the school career, to enhance the labour market opportunities of possible dropouts too. How exactly vocational education should be reshaped, eventually, is beyond the scope of this book and should be left to policymakers in this field.

Second, employment protection legislation of the established workforce seems to constrain employment opportunities for young people, leading to a prolonged absorption of labour market entrants and, therefore, higher unemployment and temporary employment among them. As employment protection legislation in the Netherlands is quite strict, loosening it seems beneficial for youth labour market integration as it would weaken the existing distinction between insiders and outsiders in the labour market and it would provide youth with more labour market opportunities by reducing their temporary employment and unemployment chances in favour of permanent employment. According to my findings, this particularly applies to higher educated labour market entrants, however. It should also be acknowledged that creating more opportunities for labour market entrants by loosening employment protection legislation could come at the expense of the established workforce. Especially for older employees this might imply having to deal with much instability in the late career, like ending up in (repeated) cycles of unemployment and temporary employment, for instance, or in disability schemes. This does not seem to be in line with the purpose of recent measures of the Dutch government implying that employees should work longer, i.e. till the age of 67 instead of 65, because of an aging population.

7.6 DISCUSSION AND DIRECTIONS FOR FUTURE RESEARCH

Although many questions with regard to employment flexibility among youth have been answered in this book, new questions rose throughout the conduction of this study and there are several limitations to my approach that might have influenced the answers to my research questions. In this section, I discuss some of these questions and limitations and provide suggestions for future research on employment flexibility.

First, the definition of employment flexibility applied throughout this book, i.e. having a temporary employment contract without prospect on a permanent job or by being contracted through an employment agency, may leave room for discussion. As I argued in section 1.5.2, the usual definition of employment flexibility in the Netherlands used by Statistics Netherlands concerns employment contracts of less than one year without prospect of a permanent contract and/or having an employment contract for an indefinite number of working hours. One year contracts are frequently used as an extended probationary period after which a permanent contract is usually offered. For this reason, I argued, it is quite understandable that these contracts are not considered as flexible

employment relationships, but are regarded as permanent employment instead. Still, it is arguable if my definition of temporary contracts is too narrow. In fact, Statistics Netherlands recently broadened this definition by also including employees with a temporary contract and a fixed number of working hours with prospect of a permanent contract in the definition of employees with a flexible employment relationship, as well as employees with a temporary contract of one year or more and a fixed number of working hours. Previously, these types of employees were regarded as permanent employees. Although in most empirical chapters, it was not possible to apply a different definition of employment flexibility than applied now, the fact that I focused solely on the most precarious cases of flexible employment relations implies that the number of youth that is in some way affected by the flexibilization of the labour market might be underestimated in this book, as there are also young people with employment contracts that are not permanently nor really temporarily employed, but who are regarded as permanent employees. Applying a broader definition of employment flexibility could perhaps lead to different conclusions regarding social inequalities between lower and higher educated temporary employees. It can be argued that especially higher educated youth are employed in temporary jobs with prospect of a permanent job. Regarding them as temporary employees could result in a less clear distinction in employment flexibility as substitute for permanent employment between higher and lower educated youth than observed in this study. The question is to what extent these types of flexible employment relations could be compared to each other and if different conclusions would be more valid. Future research could elaborate on this discussion by applying a broader definition of employment flexibility and compare the findings. For now, I would like to emphasize that the conclusions in this book are based on a comparison of the most precarious types of flexible employment relations among Dutch labour market entrants and should be interpreted in that way.

Second, in this study, I have differentiated both the causes and consequences of employment flexibility by level of education. The categorization of this variable is quite broad, however. Except for Chapters 2 and 4, the analyses in this book include a distinction of educational level between lower, intermediate, and higher educated individuals. With regard to the Dutch educational system, the category 'lower education' consists of people with elementary education or lower vocational education (BO/LBO); 'intermediate education' refers to people with intermediate general education, higher general education, and intermediate vocational education (MAVO, HAVO/VWO, MBO), and 'high education' is composed of people with higher vocational education, university, and postgraduate education (HBO, WO, WO+). Although it would be interesting to use a more specific measurement of educational level, as it could be expected, for instance, that differences exist in employment flexibility between individuals with higher vocational education and university degrees, I decided not to do so, because of the fact that some specific educational categories were not always represented by enough respondents in the data to make statistical inferences, especially with regard to the estimation of interaction

effects with level of education. For future research, it would however be valuable to apply more specific measurements of level of education, if the data allow doing so.

Third, employment flexibility was studied among young people throughout this book as temporary contracts are highly concentrated among this group. After youth, older workers (aged 60-64 and 65+) belong to the age group most often found in flexible types of employment. Also among older workers the incidence of such employment has increased over the past decades, though the absolute numbers are quite low (OECD, 2005). Whereas young workers are at the start of their career and have thus many years in front of them to 'repair' possible negative consequences of employment flexibility during their later career, older workers have less or no time left in their career to do this. This might have severe consequences for the level of pensions of older workers in temporary jobs, for instance. In future research on employment flexibility attention should hence also be paid to the group of older workers.

Fourth, in several chapters of this book I examined the impact of economic globalization as an indicator of structural developments leading to flexibilization of the labour market. To measure economic globalization, I used the KOF Index of Globalization (Dreher, 2006), which is discussed into more detail in section 2.3.3. It could be argued that applying such a broad measurement that increases quite steadily over time does not capture the influence of more specific, underlying processes or structural developments, which might actually explain the 'translation' of macro-level labour market flexibilization into micro-level employment flexibility. It might indeed be more informative to study the role of more specific structural factors, however, I assume that these factors are all preceded by (economic) globalization, which is a more parsimonious measurement for empirical purposes. In other words, these factors are regarded as intermediating macro-level characteristics interpreting the relationship between (economic) globalization and labour market flexibilization. For example, globalization is a driving force behind the skill upgrading of the occupational structure in the labour market, translated into a reduction of labour costs through the use of flexible employment relations. In future research, though, it would be interesting to study more specific macro-level explanations and to see whether they are indeed able to interpret the impact of (economic) globalization on employment flexibility.

Fifth, the findings with regard to the consequences of employment flexibility for early career developments and family formation were rather modest as explained earlier. Before drawing the more general conclusion that employment flexibility does not harm employees involved in such types of labour, I believe it would be important to elaborate in future research on this topic in at least three ways, which I will briefly describe. As described in section 7.4, it would be recommendable to replicate the analyses of the consequences of employment flexibility using larger datasets, as a lack of statistical power of the data used in this study could be the reason for not finding more significant effects, both in the main effects of employment flexibility and in the interactions with level of education.

In addition, the current economic crisis, starting in 2008, is not included in current analyses as data on this period are (or were) not available yet. The findings before 2008 did however show the importance of adverse macro-economic conditions in explaining employment flexibility, as Chapters 2 and 3 showed, and in explaining postponement of family formation, as appeared from Chapter 6. These findings give rise to the idea that these developments at least continued or perhaps even reinforced in recent years of economic crisis. It is hence preferable for future research to extend the trends in this book to study the impact of the current economic crisis on employment flexibility and the consequences of early career employment flexibility in current economic circumstances for later career outcomes and family formation.

Finally, other indicators for the consequences of employment flexibility could be used in future research. Regarding early career consequences, the outcomes studied in this book (i.e. labour market situation, occupational status, and income) can be regarded as so-called 'objective' indicators. What have been neglected in present study, however, are the more 'subjective' consequences of employment flexibility, i.e. the attitudes of employees in flexible employment relations regarding their jobs. It could be questioned to what extent temporary employees are actually satisfied with the type of employment contract they possess and to what extent they themselves regard such contracts as precarious. Studying such questions could be an important contribution to the literature on employment flexibility and deserves attention in future research. With regard to the consequences of employment flexibility for family formation, I have studied to what extent individuals postpone their first child. It might however be that postponement of family formation does not occur with regard to the first child, i.e. the transition into parenthood, but that it does occur with respect to the second, third, or every additional child. Studying these fertility decisions as outcomes of employment flexibility would be an interesting direction for future research.

Sixth, it could be interesting for future research to investigate possible consequences of employment flexibility for different life domains of young people than studied here, particularly concerning the social life. For instance, the effect of temporary employment on social participation, isolation, or exclusion is an interesting and relevant topic for investigation, which has not received much attention in the literature until now. Work is the basis of social integration, the reference for individuals in the everyday organization of life (Jahoda, Lazarsfeld & Zeisel, 1933; Paugam & Russell, 2000). It is the main source of economic independence, status, identity, and social participation. Therefore, it could be hypothesized that marginal employment as (repeated) temporary employment could negatively affect such social outcomes. The same could be expected for (social) outcomes as health and mental well-being, poverty, opportunities for getting a mortgage, and the likelihood to become criminally active or to have other social problems. Studying such possible outcomes of employment flexibility could provide an even more complete picture of the role of temporary employment in the lives of youth.

Seventh, the causes of employment flexibility have been studied cross-nationally in this book, but also the consequences could be studied from an international comparative perspective. This would reveal if the findings for the Netherlands (i.e. a lack of long-term consequences for early career developments and for family formation) are replicated for other (comparable) countries. Also, it would provide a stricter test of the bridge or stepping stone theories versus the entrapment theories, studied in Chapter 5, which dominate the literature on the consequences of temporary employment. Additionally, it enables to provide institutional explanations for the observed outcomes and for possible differences between countries herein, which could shed more light on the consequences of employment flexibility.



Appendix

Table A1 Multinomial logistic regression of employment situation at labour market entry: unstandardized coefficients (N = 16,447).

	Unemployment versus permanent employment			
	Model 1	Model 2	Model 3	Model 4
Intercept	-0.538**	-0.889**	-0.023	-6.456**
Sex				
Male	ref.	ref.	ref.	ref.
Female	0.176**	0.184**	0.179**	0.183**
Ethnicity				
Native	ref.	ref.	ref.	ref.
Non-native	0.803**	0.802**	0.815**	0.817**
Level of education				
Elementary/Lower vocational (BO/LBO)	ref.	ref.	ref.	ref.
Intermediate general (MAVO)	-0.563**	-0.531**	-0.548**	-3.188
Higher general (HAVO/VWO)	-0.252*	0.011	-0.241*	4.645
Intermediate vocational (MBO)	-0.212**	0.142	-0.219**	6.740**
Higher vocational (HBO)	-0.063	0.621**	-0.064	11.671**
University (WO)	0.318**	1.154**	0.301**	13.933**
Field of education				
General	ref.	ref.	ref.	ref.
Technical	-0.845**	-0.880**	-0.834**	-0.822**
Economical	-0.754**	-0.782**	-0.749**	-0.733**
Cultural	-0.727**	-0.751**	-0.721**	-0.702**
Year				
1992	ref.	ref.		
1993	0.265*	0.317**		
1994	0.591**	0.697**		
1995	0.296**	0.455**		
1996	0.202	0.417**		
1997	-0.370**	-0.085		
1998	-0.693**	-0.344*		
1999	-0.437**	-0.019		
2000	-0.606**	-0.130		
2001	-0.852**	-0.325*		
2002	-0.330**	0.264		
2003	-0.150	0.518**		
2004	-0.116	0.683**		
2005	-0.014	0.884**		
2006	-0.158	0.791**		
2007	-0.555**	0.387		

Table A1 Continued.

	Unemployment versus permanent employment			
	Model 1	Model 2	Model 3	Model 4
Year*Intermediate general (MAVO)		-0.014		
Year*Higher general (HAVO/VWO)		-0.051**		
Year*Intermediate vocational (MBO)		-0.056**		
Year*Higher vocational (HBO)		-0.105**		
Year*University (WO)		-0.131**		
Economic globalization (EG)			-0.021	0.050*
Unemployment rate			0.204**	0.203**
EG*Intermediate general (MAVO)				0.029
EG*Higher general (HAVO/VWO)				-0.054
EG*Intermediate vocational (MBO)				-0.077**
EG*Higher vocational (HBO)				-0.129**
EG*University (WO)				-0.150**
Model chi ²	920	1026	839	904
Degrees of freedom	50	60	24	34

** p<0.01; * p< 0.05 (two-tailed test).

Source: Dutch Labour Force Survey (1992-2007).

Table A2 Multilevel multinomial logistic regression of labour market integration in Europe: unstandardized coefficients ($N_{\text{respondents}} = 18,956$; $N_{\text{country-year-of-schoolleaving-combinations}} = 468$).

	Temporary employment versus unemployment					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Intercept	0.600**	0.600**	0.564**	0.590**	0.608**	0.550**
Duration since labour market entry (in years)	0.009	0.008	0.010	0.010	0.007	0.011**
Sex						
Man	ref.	ref.	ref.	ref.	ref.	ref.
Woman	0.002	0.001	0.002	0.003	0.001	0.003
Ethnicity						
Native	ref.	ref.	ref.	ref.	ref.	ref.
Non-native	-0.156*	-0.157*	-0.159*	-0.164*	-0.168*	-0.185*
Field of education						
General	ref.	ref.	ref.	ref.	ref.	ref.
Technical	0.011	0.012	0.005	0.007	0.027	0.029
Economical	-0.202~	-0.201~	-0.208~	-0.202~	-0.183~	-0.177
Cultural	0.038	0.037	0.032	0.033	0.061	0.063
Level of education						
Low	ref.	ref.	ref.	ref.	ref.	ref.
Intermediate	0.311**	0.318**	0.353**	0.315**	0.304**	0.353**
High	0.786**	0.781**	0.814**	0.800**	0.766**	0.803**
Unemployment rate	-0.494*	-0.483	-0.482*	-0.462*	-0.489*	-0.047
Economic globalization	0.749**	0.748**	1.286**	0.768**	0.728**	1.430**
% Vocational education	-0.189	-0.189	-0.198	0.475*	-0.176	0.519*
EPL	0.112	0.104	0.112	0.115	0.238	0.436~
Unemployment rate*Intermediate		-0.065				-0.522
Unemployment rate*High		0.255				-0.352
Economic globalization*Intermediate			-0.545			-0.637
Economic globalization*High			-0.833~			-1.131*
% Vocational education*Intermediate				-0.977**		-1.014**
% Vocational education*High				-0.605*		-0.678*
EPL*Intermediate					0.158	-0.138
EPL*High					-0.663*	-0.950**
Variance	0.168**	0.167**	0.164**	0.161**	0.171**	0.158**

** $p < 0.01$; * $p < 0.05$; ~ $p < 0.10$ (two-tailed test). Coefficient of 'field of education unknown' not shown.
Source: European Social Survey (2002-2008).

Table A3a Multinomial logistic regression of employment situation of men: unstandardized coefficients ($N = 87,204$).

	Temporary employment versus unemployment		
	Model 1	Model 2	Model 3
Intercept	0.741**	0.562**	-3.666
Employment situation partner			
Permanent employment	ref.	ref.	ref.
Temporary employment	0.143	0.245**	0.252**
Unemployment	-1.017**	-0.798**	-0.671**
Level of education			
Elementary/Lower vocational (BO/LBO)		ref.	ref.
Intermediate general (MAVO)		-0.022	-0.026
Higher general (HAVO/VWO)		0.214	0.221
Intermediate vocational (MBO)		0.141	0.132
Higher vocational (HBO)		0.328**	0.324**
University (WO)		-0.234	-0.234
Level of education partner			
Elementary/Lower vocational (BO/LBO)		ref.	ref.
Intermediate general (MAVO)		0.188	0.182
Higher general (HAVO/VWO)		0.397**	0.370**
Intermediate vocational (MBO)		0.455**	0.405**
Higher vocational (HBO)		0.466**	0.401**
University (WO)		0.687**	0.581**
Age			
15-29 years old		ref.	
30-34 years old		-0.256**	-0.298**
35-39 years old		-0.612**	-0.672**
Age partner			
15-29 years old		ref.	ref.
30-34 years old		0.029	0.010
35-39 years old		0.001	-0.017
Ethnicity			
Native		ref.	ref.
Non-native		-0.160*	-0.230**
Ethnicity partner			
Native		ref.	ref.
Non-native		-0.079	-0.170*
Unemployment rate			-0.193**
Economic globalization			0.061**
Model χ^2	831	2776	3064
Degrees of freedom	4	36	40

** $p < 0.01$; * $p < 0.05$ (two-tailed test).

Source: Dutch Labor Force Survey (1992-2007).

Table A3b Multinomial logistic regression of employment situation of women: unstandardized coefficients (N = 87,204).

	Temporary employment versus unemployment		
	Model 1	Model 2	Model 3
Intercept	0.206**	0.217**	-0.823
Employment situation partner			
Permanent employment	ref.	ref.	ref.
Temporary employment	0.236**	0.199**	0.171*
Unemployment	-0.925**	-0.849**	-0.758**
Level of education			
Elementary/Lower vocational (BO/LBO)		ref.	ref.
Intermediate general (MAVO)		0.056	0.057
Higher general (HAVO/VWO)		0.326**	0.306**
Intermediate vocational (MBO)		0.349**	0.319**
Higher vocational (HBO)		0.630**	0.598**
University (WO)		0.705**	0.649**
Level of education partner			
Elementary/Lower vocational (BO/LBO)		ref.	ref.
Intermediate general (MAVO)		0.085	0.084
Higher general (HAVO/VWO)		0.175*	0.182*
Intermediate vocational (MBO)		0.140**	0.139**
Higher vocational (HBO)		0.196**	0.202**
University (WO)		0.005	0.009
Age			
15-29 years old		ref.	ref.
30-34 years old		-0.401**	-0.420**
35-39 years old		-0.370**	-0.397**
Age partner			
15-29 years old		ref.	ref.
30-34 years old		-0.250**	-0.279**
35-39 years old		-0.275**	-0.311**
Ethnicity			
Native		ref.	ref.
Non-native		-0.097	-0.157**
Ethnicity partner			
Native		ref.	ref.
Non-native		0.027	-0.008
Unemployment rate			-0.140**
Economic globalization			0.022
Model chi ²	831	3780	4362
Degrees of freedom	4	36	40

** p<0.01; * p< 0.05 (two-tailed test).

Source: Dutch Labour Force Survey (1992-2007).

Table A4 Multilevel multinomial logistic regression of employment situation (from two years after labour market entry): unstandardized coefficients (N_{observations} = 901; N_{respondents} = 473).

	Temporary employment versus unemployment			
	Model 1	Model 2	Model 3	Model 4
Intercept	2.226	1.327	1.694	1.321
Employment situation of first job				
Permanent employment	ref.	ref.	ref.	ref.
Temporary employment	-0.124	-0.103	-1.260	-0.927
Duration since labour market entry (in years)	-0.125	-0.112	-0.219	-0.200
Labour market entry cohort				
1986-1989	ref.	ref.	ref.	ref.
1990-1993	0.702	0.661	0.658	0.904
1994-1997	-0.668	-0.708	-0.605	-0.382
1998-2001	0.459	0.800	0.775	1.036
2002-2006	0.630	0.542	0.570	0.618
Sex				
Male	ref.	ref.	ref.	ref.
Female	-0.195	-0.215	-0.252	-0.294
Ethnicity				
Native	ref.	ref.	ref.	ref.
Non-native	0.116	-0.038	-0.057	-0.136
Level of education				
Low	ref.	ref.	ref.	ref.
Intermediate	0.161	0.242	0.311	0.873
High	1.083	1.005	1.068	0.651
Occupational status of first job		0.007	0.006	0.007
Type of industry of first job				
Traditional primary/Classical capitalist industry		1.462	1.569	1.472
Competitive industry		ref.	ref.	ref.
Large-scale engineering based industry		0.060	0.144	0.246
Small competitive industry		0.465	0.618	0.676
Professional service industry		-0.179	-0.031	0.036
Bureaucratic service industry		0.854	0.761	0.918
Other industry or industry unknown		0.345	0.420	0.476
Firm size of first job		0.001	0.001	0.001
Unemployment rate	-0.217	-0.178	-0.173	-0.173
Temporary employment*Duration			0.321	0.294
Temporary employment*Intermediate				-1.030
Temporary employment*High				1.143
Variance	0.000	0.052	0.000	0.009

** p<0.01; * p<0.05; ~ p<0.10 (two-tailed test). Coefficients of 'occupational status of first job unknown' and 'firm size of first job unknown' not shown.

Source: Labour Supply Panel (1988-2008).



Summary in Dutch
Nederlandstalige samenvatting

De oorzaken en gevolgen van flexibele arbeidsrelaties onder jongeren: Recente ontwikkelingen in Nederland en Europa

HOOFDSTUK 1 – INLEIDING

Arbeidsmarkten in geïndustrialiseerde landen zijn de afgelopen decennia sterk aan verandering onderhevig geweest. Vanaf midden jaren tachtig, met name vanaf begin jaren negentig, is het aantal werknemers met een flexibele arbeidsrelatie sterk toegenomen. Tot die tijd vormden fulltime banen, voor onbepaalde tijd en in directe loondienst bij de werkgever, de standaard. Macro-economische en structurele ontwikkelingen sinds de tweede helft van de jaren zeventig, zoals groeiende werkloosheid en (economische) globalisering, hebben er echter toe geleid dat werkgevers meer flexibiliteit zijn gaan zoeken bij het aannemen van arbeidskrachten. Hierdoor zijn er steeds meer niet-standaard arbeidsverhoudingen geïntroduceerd, zoals parttime banen, tijdelijke banen en uitzendwerk. Een groeiend deel van de beroepsbevolking heeft dan ook een baan met een flexibele arbeidsrelatie sinds de jaren negentig.

Flexibele arbeidsrelaties, zoals gedefinieerd in dit boek, zijn banen met een arbeidscontract van minder dan één jaar zonder uitzicht op een vast contract en/of voor een onbepaald aantal uren. Het gaat dus om banen die zeer weinig werkzekerheid verschaffen. Voornamelijk jonge mensen die na het verlaten van het onderwijs op de arbeidsmarkt komen starten in dergelijke onzekere banen. Werkgevers zijn voorzichtig met het verstrekken van vaste contracten aan jongeren, omdat zij gewoonlijk (nog) niet over voldoende (relevante) werkervaring en de juiste netwerken beschikken. Tijdelijke contracten stellen werkgevers in staat de capaciteiten van intreders op de arbeidsmarkt te beoordelen voordat zij hen eventueel in een later stadium een vast contract aanbieden. Dat werk een zeer belangrijke positie inneemt in ons dagelijks leven lijkt niet overdreven. Werk vormt een kernactiviteit in elke moderne samenleving en verbindt mensen met elkaar. Individuen ontlenen doorgaans in belangrijke mate hun identiteit aan het beroep dat zij uitoefenen en daarmee zegt werk ook veel over de gelaagdheid van een samenleving en de sociale ongelijkheid die daaruit voortvloeit. Kortom, je positie op de arbeidsmarkt bepaalt in sterke mate wat voor een soort leven je leidt. Gezien de huidige flexibilisering van de arbeidsmarkt rijst de vraag wat een tijdelijke arbeidspositie dan betekent in dit verband. In media en politiek wordt tegenwoordig veelvuldig aandacht geschonken aan de toename in flexibele arbeidsrelaties, waarbij doorgaans ernstige zorgen worden geuit. Ook onder onderzoekers heerst een groeiende belangstelling voor het bestuderen van de flexibilisering van de arbeidsmarkt. Er heerst echter (nog) geen consensus over de mate van onzekerheid die tijdelijke banen met zich meebrengen.

Aan de aanbodskant van werk, dat wil zeggen, werkgevers en hun organisaties, wordt arbeidsmarktflexibilisering gewoonlijk opgevat als een welkome ontwikkeling, aangezien het de aanpassing van het aantal arbeidskrachten aan de actuele vraag en aanbod vereenvoudigt en versnelt. Werknemers met een tijdelijk contract of een uitzendbaan hebben echter vooral te maken met het feit dat zulke banen weinig zekerheid bieden vanwege hun tijdelijke karakter en dus ook met de tijdelijkheid van het hebben van inkomsten die daarmee gepaard gaat. Ook wijzen sociale wetenschappers vaak op mogelijke negatieve effecten van het hebben van tijdelijk werk, zoals de kans om blijvend terecht te komen in zulke onzekere banen, wat de verdere loopbaanontwikkeling niet ten goede komt. Hier kan tegenin worden gebracht dat het creëren van tijdelijke banen ook als effectieve werkloosheidsbestrijding beschouwd kan worden. Een tijdelijke baan verschaft een individu in ieder geval de mogelijkheid om tijdelijk werkervaring op te doen en een inkomen te verdienen, wat in een situatie van werkloosheid vanzelfsprekend niet mogelijk is. Daar komt bij dat verscheidene onderzoekers wijzen op de mogelijke functie van tijdelijk werk als opstap naar een vaste baan in een later stadium.

Samenvattend verschaft een tijdelijke baan tenminste een vorm van werkgelegenheid en uitzicht op meer voortdurende werkzekerheid in de (nabije) toekomst. Ten opzichte van vast werk is tijdelijk werk minder gunstig, terwijl het een meer gewenste situatie is dan werkloosheid. De vraag die rijst is wat tijdelijk werk bij intrede op de arbeidsmarkt precies betekent voor het leven van jonge individuen, zowel ten opzichte van het hebben van vast werk als werkloos zijn. In dit boek onderzoek ik daarom de oorzaken en gevolgen van tijdelijk werk onder jongeren, met name in Nederland, maar ook breder, in Europees verband, waarbij ik twee centrale vragen formuleer.

De eerste onderzoeksvragen over de oorzaken van tijdelijk werk onder jongeren luiden als volgt: *In welke mate leidt arbeidsmarktflexibilisering tot meer tijdelijke contracten onder intreders op de Nederlandse arbeidsmarkt sinds de jaren negentig? In hoeverre hebben jonge individuen met een tijdelijk contract vaker een partner met een tijdelijke baan? En in welke mate veroorzaken macro-economische omstandigheden, structurele ontwikkelingen en institutionele kenmerken verschillen in arbeidsmarktintegratie tussen jonge individuen met uiteenlopende opleidingsniveaus?* Deze vragen zullen beantwoord worden op basis van de resultaten in de hoofdstukken 2, 3 en 4. Meer specifiek bestudeer ik in hoofdstuk 2 hoe de trend in arbeidsmarktflexibilisering onder schoolverlaters in Nederland er uit ziet tussen 1992 en 2007, in hoeverre deze verklaard kan worden door toenemende (economische) globalisering en welke verschillen hierin bestaan tussen lager- en hogeropgeleiden. In hoofdstuk 3 worden soortgelijke vragen beantwoord, maar ligt de focus op het verklaren van de arbeidsmarktintegratie van jongeren in Europees verband, waarbij ook cyclische en institutionele verklaringen getoetst worden naast de structurele verklaring van globalisering. In hoofdstuk 4 wordt vervolgens onderzocht in hoeverre een onzekere arbeidsmarktpositie (namelijk tijdelijk werk of werkloosheid) samenhangt met het hebben van een partner met een onzekere arbeidsmarktpositie in Nederland.

Na de onderzoeksvragen over de oorzaken van tijdelijk werk, volgen vragen over de gevolgen van tijdelijk werk onder jongeren, namelijk: *Wat zijn de gevolgen van tijdelijk werk onder Nederlandse arbeidsmarktintreders voor ontwikkelingen in de vroege loopbaan van individuen en voor beslissingen omtrent gezinsvorming van individuen en hun partners? En in welke mate verschillen deze gevolgen van tijdelijk werk in de vroege loopbaan tussen individuen met uiteenlopende opleidingsniveaus?* Deze vragen worden beantwoord op basis van de uitkomsten in de hoofdstukken 5 en 6. Meer specifiek onderzoek ik in hoofdstuk 5 de vroege loopbaangevolgen van een tijdelijke start op de arbeidsmarkt in Nederland voor de daaropvolgende arbeidsmarktpositie(s), beroepsstatus en inkomen. Daarnaast bestudeer ik in hoeverre deze gevolgen variëren over de tijd en tussen opleidingsniveaus. Ten slotte richt ik mij in hoofdstuk 6 op de gevolgen van tijdelijk werk voor gezinsvorming in Nederland, namelijk op de kans om te gaan samenwonen, trouwen of aan kinderen te beginnen. Ook in dit hoofdstuk worden eventuele verschillen tussen opleidingsniveaus onderzocht.

Door het beantwoorden van deze centrale onderzoeksvragen hoop ik op ten minste zes manieren bij te dragen aan de bestaande kennis op het gebied van arbeidsmarktflexibilisering. Ten eerste richt ik mij in dit boek alleen op jongeren, in het bijzonder op arbeidsmarktintreders, omdat zij het vaakst een flexibel dienstverband hebben en het aandeel tijdelijke contracten onder hen ook het sterkst gestegen is in de afgelopen decennia, met name in Nederland. Hoewel de definitie van jongeren enigszins verschilt tussen de hoofdstukken, gaat het grofweg om de groep schoolverlaters tot ongeveer 35 jaar oud. Door zowel de oorzaken als gevolgen van flexibilisering specifiek voor deze groep te bestuderen, hoop ik meer inzicht te verschaffen in de grootte en ernst van tijdelijk werk als mogelijk probleem onder jongeren, zowel werkgerelateerd als niet-werkgerelateerd.

Ten tweede bestudeer ik tijdelijk werk als alternatief voor zowel vast werk als werkloosheid, zodat duidelijk wordt in welke mate de flexibilisering van de arbeidsmarkt nu werkelijk ten koste gaat van het aantal vaste banen of juist een effectieve manier blijkt te zijn om werkloosheid te bestrijden. In dit opzicht is het ook van belang om te differentiëren tussen sociale groepen, omdat de verwachting is dat tijdelijk werk onder lageropgeleiden vooral ten koste gaat van het aantal vaste banen, terwijl hogeropgeleiden meer van de voordelen zullen profiteren, zoals het voorkomen van werkloosheid. De redenering hierachter wordt uitgelegd in hoofdstuk 2.

Ten derde bestudeer ik verschillende verklaringen op macroniveau voor arbeidsmarktflexibilisering, oftewel de kans op tijdelijk werk voor individuen. Macro-economische verklaringen wijzen op een fluctuerende, conjuncturele trend, structurele ontwikkelingen op een monotoon stijgende trend, terwijl institutionele verklaringen aanwijzingen geven voor de mogelijke gevolgen van bepaalde beleidsbeslissingen op het gebied van tijdelijk werk. Het tegelijkertijd onderzoeken van deze verschillende verklaringen kan belangrijke inzichten geven in ontwikkelingen die zich in het verleden hebben voorgedaan en helpt daarmee onze huidige maatschappij te begrijpen. Daarnaast biedt het ook aanknopingspunten voor het voorspellen van mogelijke toekomstige ontwikkelingen.

Ten vierde is het doel van deze studie om gangbare en tevens aan elkaar tegengestelde theorieën met betrekking tot de gevolgen van tijdelijk werk, namelijk val- versus brugtheorieën, op een strenge manier te toetsen. Valtheorieën voorspellen kortweg dat mogelijke negatieve gevolgen van een tijdelijke start blijvend van aard zijn en mensen dus langdurig blijven achtervolgen, ook wel 'littekeneffecten' genoemd. Brugtheorieën, daarentegen, voorspellen dat de negatieve gevolgen van tijdelijk werk ook slechts tijdelijk van aard zijn en dus afnemen over de tijd, waarbij intreders in tijdelijke banen uiteindelijk in een meer stabiele baan terecht zullen komen. In deze studie wordt getoetst in hoeverre beide theorieën opgaan voor verschillende opleidingsgroepen, waarbij de verwachting is dat brugtheorieën voornamelijk gelden voor hogeropgeleiden en valtheorieën juist op lageropgeleiden van toepassing zijn.

Ten vijfde wordt in dit boek rekening gehouden met de belangrijke rol van de partner in het onderzoeken van oorzaken en gevolgen van tijdelijk werk. In voorgaand onderzoek is herhaaldelijk vastgesteld dat er een positieve associatie bestaat tussen de arbeidsmarktpositie van twee partners: heeft de ene partner een baan dan is de kans groot dat de andere partner ook werkzaam is, terwijl een werkloze vaker een partner blijkt te hebben die ook werkloos is. Dit leidt tot de vraag of mensen met een tijdelijke baan vaker een partner hebben die ook een tijdelijke baan heeft, welke in dit onderzoek beantwoord wordt.

Ten zesde verwacht ik methodologische vooruitgang te boeken door in dit onderzoek gebruik te maken van verscheidene grootschalige databronnen en verschillende geavanceerde statistische regressietechnieken toe te passen. Kort samengevat gebruik ik in dit onderzoek herhaalde cross-sectionele enquêtedata, zowel Nederlandse als Europese, zodat arbeidsmarktflexibilisering over een relatief lange tijdspanne kan worden onderzocht. Verschillende verklaringen op macroniveau worden zo getoetst, inclusief de institutionele context. Door daarnaast gebruik te maken van retrospectieve data en panelgegevens is het ook mogelijk om op individueel niveau causale verbanden te leggen tussen de verklarende factoren en uitkomstvariabelen.

HOOFDSTUK 2 – TRENDS IN FLEXIBILISERING VAN DE NEDERLANDSE ARBEIDSMARKT

In hoofdstuk 2 wordt op beschrijvende wijze uiteengezet hoe arbeidsmarktflexibilisering zich ontwikkelt onder schoolverlaters in Nederland in de periode tussen 1992 en 2007. Het doel van dit hoofdstuk is om meer inzicht te verschaffen in de mate waarin ontwikkelingen op macroniveau op het gebied van de arbeidsmarkt, dus in de richting van flexibilisering, ook daadwerkelijk hebben geleid tot veranderingen op microniveau, namelijk tot meer flexibele arbeidsrelaties (tijdelijk werk) bij arbeidsmarktintreders in Nederland. Tevens onderzoek ik in hoeverre hierin verschillen bestaan tussen lager- en hogeropgeleide

jongeren, aangezien er in de literatuur vaak beargumenteerd wordt dat met name jonge intreders met een sociale achterstand het 'slachtoffer' zijn van arbeidsmarktflexibilisering. Personeel in lagergeschoolde banen is namelijk relatief gemakkelijk vervangbaar, terwijl hogergeschoolde banen vaak enige inwerktijd vereisen en zich daarom minder lenen voor tijdelijke contracten. Naarmate het aandeel flexibele banen stijgt, leidt dit naar verwachting dus tot de sterkste toename onder lageropgeleiden, wat reeds bestaande sociale ongelijkheden op de arbeidsmarkt tussen lager- en hogeropgeleiden vergroot.

Tot slot wordt in dit hoofdstuk getracht om een verklaring te bieden voor de (verwachte) trend in arbeidsmarktflexibilisering onder lager- en hogeropgeleide jongeren door de rol van structurele ontwikkelingen te bestuderen, namelijk (economische) globalisering, gecontroleerd voor conjuncturele omstandigheden, oftewel het totale werkloosheidspercentage. Globalisering verwijst kortweg naar ontwikkelingen op macroniveau die zich voornamelijk vanaf de jaren tachtig voordoen op sociaal, economisch, cultureel, politiek en technologisch gebied. Deze ontwikkelingen leiden er in toenemende mate toe dat er één wereldeconomie ontstaat, waarin grenzen vervagen en bedrijven op wereldschaal steeds meer met elkaar concurreren. De verwachting is dat werkgevers door deze internationalisering en toegenomen concurrentiedruk gedwongen worden om op zoek te gaan naar meer flexibele arbeidsrelaties, zodat zij hun behoefte aan personeel gemakkelijk kunnen aanpassen aan de huidige omstandigheden. In feite wentelen zij hun onzekerheid dus af op hun (toekomstige) werknemers, in het bijzonder op lageropgeleiden. De onderzoeksvragen in hoofdstuk 2 luiden als volgt: *In welke mate leidt flexibilisering van de arbeidsmarkt daadwerkelijk tot meer flexibele arbeidsrelaties onder arbeidsmarktintreders in Nederland vanaf de jaren negentig? In hoeverre bestaan er verschillen tussen intreders met uiteenlopende opleidingsniveaus in deze trend? En in hoeverre kunnen structurele ontwikkelingen, gecontroleerd voor macro-economische omstandigheden, deze ontwikkelingen verklaren?*

Om deze beschrijvende en verklarende vragen te beantwoorden heb ik herhaalde cross-sectionele databestanden van de Enquête Beroepsbevolking (EBB) uit 1992 tot en met 2007 geanalyseerd, met informatie over 16.447 schoolverlaters. Multinomiale logistische regressiemodellen zijn geschat, waarbij de kans op tijdelijk werk simultaan afgezet is tegen de kans op vast werk en de kans op werkloosheid. Op deze wijze kan ik constateren of de trend in arbeidsmarktflexibilisering voornamelijk ten koste gaat van het aantal vaste banen of juist een effectieve oplossing tegen werkloosheid blijkt te zijn en in hoeverre dit verschilt tussen lager- en hogeropgeleiden.

De resultaten in hoofdstuk 2 wijzen duidelijk in de richting van een trend naar meer flexibele arbeidsrelaties onder arbeidsmarktintreders in Nederland. Het aandeel tijdelijke banen neemt toe van 22 procent in 1992 tot bijna 30 procent in 2007. Deze toename in tijdelijke banen duidt op een afname in zowel vast werk als werkloosheid, maar blijkt zoals verwacht te verschillen tussen intreders met uiteenlopende opleidingsniveaus. Voor hogeropgeleiden gaat de toename in dergelijke banen *minder vaak* dan voor lageropgeleiden ten koste van het aantal vaste banen en komt deze juist *vaker* ten goede aan het

voorkomen van werkloosheid. Dit betekent dat lageropgeleiden dus minder profiteren van de positieve kant van arbeidsmarktflexibilisering, terwijl zij sterker benadeeld worden door de negatieve kant ervan. De tegenstellingen tussen lager- en hogeropgeleiden groeien dus naarmate het aandeel tijdelijke banen toeneemt over de tijd. Anders gezegd, lageropgeleiden worden dubbel benadeeld door de flexibilisering van de arbeidsmarkt. Een verklaring voor de algemene toename in tijdelijke banen, zowel relatief ten opzichte van het aantal vaste banen als ten opzichte van werkloosheid, wordt inderdaad gevonden in de mate van economische globalisering, onafhankelijk van de economische situatie op een bepaald moment. Economische globalisering blijkt tevens te kunnen verklaren waarom de toename in tijdelijk werk voornamelijk voor lageropgeleiden de kans op vast werk verkleint, maar niet waarom deze vooral voor hogeropgeleiden de kans op werkloosheid verkleint.

HOOFDSTUK 3 – DE ARBEIDSMARKTINTEGRATIE VAN JONGEREN IN EUROPA: DE ROL VAN CYCLISCHE, STRUCTURELE EN INSTITUTIONELE KENMERKEN

In hoofdstuk 2 werd een structurele verklaring geopperd en vastgesteld voor de flexibilisering van de arbeidsmarkt, namelijk economische globalisering, waarbij arbeidsmarktflexibilisering in Nederland over de tijd bestudeerd werd en rekening gehouden werd met macro-economische omstandigheden. Veel onderzoek benadrukt echter de rol van nationale institutionele kaders in de verklaring van arbeidsmarktintegratie van jongeren. Om meer inzicht te krijgen hierin, bestudeer ik in hoofdstuk 3 wederom de invloed van zowel macro-economische omstandigheden als structurele ontwikkelingen, maar voeg ik de institutionele context toe als verklaring voor de arbeidsmarktintegratie van jongeren in Europa vanaf de jaren negentig. Om de eerste twee soorten verklaringen te toetsen richt ik mij opnieuw op de rol van het totale werkloosheidspercentage en de mate van economische globalisering. Wat betreft de institutionele context richt ik mij specifiek op twee aspecten: het onderwijssysteem in een land, oftewel de beroepsgerichtheid daarvan, en werkgelegenheidsbeschermende wet- en regelgeving. Net als in hoofdstuk 2 onderzoek ik in dit hoofdstuk in welke mate de invloed van deze kenmerken op macroniveau verschilt tussen jongeren met een lager en hoger opleidingsniveau. De onderzoeksvragen in hoofdstuk 3 zijn: *In welke mate kunnen macro-economische omstandigheden, structurele ontwikkelingen en institutionele kenmerken verschillen tussen Europese landen in de arbeidsmarktintegratie van jongeren vanaf de jaren negentig verklaren? En in hoeverre verschilt de invloed van deze kenmerken op de arbeidsmarktintegratie tussen jongeren met uiteenlopende opleidingsniveaus?*

Om deze vragen te beantwoorden heb ik vier rondes van de European Social Survey (ESS) geanalyseerd, namelijk uit 2002, 2004, 2006 en 2008, met informatie over in totaal 18.956

jonge respondenten uit 29 landen, die tussen 1992 en 2008 het volledig dagonderwijs verlaten hebben. Multiniveau multinomiale logistische regressiemodellen zijn geschat, waarbij de kans op tijdelijk werk en de kans op werkloosheid simultaan afgezet zijn tegen de kans op vast werk. Het lagere analyseniveau heeft betrekking op individuen en het hogere analyseniveau verwijst naar combinaties tussen land en jaar van intrede op de arbeidsmarkt (in totaal 468 eenheden).

Op basis van de resultaten uit hoofdstuk 3 wordt geconcludeerd dat macro-economische, structurele en institutionele kenmerken de arbeidsmarktintegratie van jongeren in Europa inderdaad beïnvloeden. Met name de beroepsgerichtheid van het onderwijssysteem blijkt een belangrijke factor in het verklaren van tijdelijk werk onder jongeren, terwijl economische globalisering de sterkste voorspeller blijkt te zijn van jeugdwerkloosheid. In het algemeen geldt dat naarmate de totale werkloosheid hoger is, jongeren vaker in tijdelijk werk of werkloosheid terechtkomen dan in vast werk. Meer specifiek geldt dat voornamelijk lageropgeleiden vaker in tijdelijk werk terechtkomen tijdens een recessie, wat de gedachte bevestigt dat werkgevers arbeidsmarktonzekerheden sterker afwentelen op lagergeschoolde werknemers.

In tegenstelling tot de verwachtingen en bevindingen in hoofdstuk 2 blijkt op basis van de resultaten uit hoofdstuk 3 dat economische globalisering de arbeidsmarktintegratie van jongeren bevordert, aangezien het de kans op tijdelijk werk en werkloosheid verkleint. Verder blijkt dit effect niet te verschillen tussen lager- en hogeropgeleide jongeren. Dat er in hoofdstuk 3 een positief effect van economische globalisering op de arbeidsintegratie van jongeren gevonden wordt, terwijl dit effect in hoofdstuk 2 negatief was (oftewel een positief effect op de kans op tijdelijk werk), kan te maken hebben met het feit dat economische globalisering niet alleen verwijst naar toegenomen internationale concurrentie en onzekerheden, maar ook naar economische stromen, welke aangeven hoe goed een nationale economie groeit en geïntegreerd is in de wereldeconomie. Op deze manier uitgelegd kan een positieve invloed van economische globalisering op de arbeidsmarktintegratie van jongeren verwacht worden bij een vergelijking *tussen* verschillende landen, terwijl er een negatief effect van economische globalisering bestaat *binnen* een land.

Wat betreft de rol van de institutionele kenmerken blijkt in hoofdstuk 3 dat naarmate het onderwijssysteem in een land meer beroepsgericht is, des te soepeler de integratie van jongeren op de arbeidsmarkt verloopt, oftewel des te lager de kans op tijdelijk werk en werkloosheid is. In landen waarin men dus meer beroepsspecifiek wordt opgeleid is de aansluiting tussen het onderwijs en de arbeidsmarkt beter dan in landen waarin men meer algemeen wordt opgeleid. Het voordeel van een beroepsgericht onderwijssysteem geldt echter in hoofdzaak voor jongeren die zelf in het bezit zijn van een diploma in het middelbaar of hoger (beroeps)onderwijs. De keerzijde hiervan is dat lageropgeleide jongeren die nauwelijks zijn voorbereid op de beroepspraktijk juist benadeeld worden in een context waarin een nauwe band bestaat tussen het onderwijs en de arbeidsmarkt.

Ook de resultaten met betrekking tot de rechtspositie van zittende werknemers zijn

eenduidig. De arbeidsmarktintegratie van jongeren verloopt enigszins moeizamer naarmate zittende werknemers sterker beschermd zijn tegen ontslag. In het algemeen leidt dit voor alle jongeren tot een grotere kans op tijdelijk werk en voor hogeropgeleide jongeren betekent dit daarnaast een verhoogde kans op werkloosheid. Dit is te verklaren doordat zij vooral werkzaam zijn in het primaire segment van de arbeidsmarkt, waarin werkgelegenheidsbeschermende wet- en regelgeving meestal strikt is.

HOOFDSTUK 4 – FLEXIBELE ARBEIDSRELATIES ONDER JONGE KOPPELS IN NEDERLAND

In de vorige twee hoofdstukken heb ik aangetoond dat jonge individuen sinds de jaren negentig steeds vaker in tijdelijke banen terechtkomen en heb ik verschillende verklaringen geopperd voor deze trend. In hoofdstuk 4 betrek ik naast het individu ook de partner in mijn onderzoek en bestudeer ik in hoeverre tijdelijk werk zich concentreert binnen huishoudens. Anders gezegd: hebben individuen met een tijdelijke baan ook vaker een partner met een tijdelijke baan? Eerder onderzoek naar loopbanen van partners heeft, zoals beschreven, al aangetoond dat er een positieve relatie bestaat tussen de arbeidsmarktpositie van beiden in termen van werkzaamheid en werkloosheid. Gezien de trend in arbeidsmarktflexibilisering en het toenemende aantal tijdelijke contracten onder jongeren in het bijzonder, ligt het voor de hand ook een positieve relatie te verwachten tussen het voorkomen van een onzekere arbeidssituatie bij twee (jonge) partners. Er zijn verschillende verklaringen aan te dragen voor deze (verwachte) positieve relatie.

Ten eerste kan deze relatie op grond van homogamie op allerlei kenmerken verwacht worden. Dit houdt in dat partners elkaar gewoonlijk selecteren op een aantal belangrijke overeenkomsten, bijvoorbeeld qua leeftijd, etniciteit en opleidingsniveau. Deze (gedeelde) kenmerken bepalen vervolgens voor beide partners de kans om al dan niet in een tijdelijke baan terecht te komen. Ten tweede leven beide partners doorgaans onder dezelfde temporale en regionale arbeidsmarktomstandigheden, zoals de mate van werkloosheid en (economische) globalisering, wat mede veroorzaakt dat hun kansen op tijdelijk werk grotendeels overeenkomen. Buiten deze twee bijproductverklaringen kan ten derde verwacht worden dat partners elkaar beïnvloeden. Partnereffecten verwijzen naar de positieve effecten van menselijk, cultureel en sociaal kapitaal van de ene partner op de arbeidsmarktsituatie van de andere partner. De afwezigheid van dergelijk kapitaal, wat waarschijnlijk lijkt in het geval van tijdelijk werk (of werkloosheid), kan er toe leiden dat partners elkaar juist niet kunnen helpen aan een vaste baan en daardoor beiden in een minder gunstige positie blijven of terechtkomen. De onderzoeksvragen in hoofdstuk 4 luiden als volgt: *Hoe is tijdelijk werk onder jonge individuen gerelateerd aan tijdelijk werk of werkloosheid bij hun partner in Nederland vanaf de jaren negentig? En hoe kan deze relatie verklaard worden?*

Om deze vragen te beantwoorden heb ik, net als in hoofdstuk 2, herhaalde cross-sectionele databestanden van de Enquête Beroepsbevolking (EBB) uit 1992 tot en met 2007 geanalyseerd, waarbij ik 87.204 koppels (en dus 174.408 respondenten) van maximaal 39 jaar oud geselecteerd heb. Multinomiale logistische regressiemodellen zijn geschat om de associatie tussen de arbeidsmarktposities van beide partners vast te stellen en vervolgens de verschillende geopperde verklaringen voor deze associatie te toetsen. De kans op tijdelijk werk en de kans op werkloosheid zijn simultaan afgezet tegen de kans op vast werk, voor mannen en vrouwen apart.

De resultaten in hoofdstuk 4 leiden tot de conclusie dat er inderdaad een positieve relatie bestaat tussen onzekere arbeidsmarktposities van twee partners. Indien de ene partner een tijdelijke baan heeft, is de kans voor hem of haar groter dan voor iemand met een vaste baan om een partner met een tijdelijke baan of in werkloosheid te hebben. Ook het hebben van een vaste baan of werkloos zijn blijkt zich te concentreren binnen huishoudens, zoals ook in eerder onderzoek werd gevonden. Ondanks dat het absolute aantal huishoudens met twee partners met onzekere arbeidsmarktposities nog steeds relatief laag is, kan op basis van deze positieve associatie in combinatie met verdere flexibilisering van de arbeidsmarkt een toename in het aantal huishoudens met veel onzekerheid verwacht worden in de nabije toekomst, wat sociale ongelijkheid tussen huishoudens vergroot.

Ter verklaring van de positieve associatie tussen onzekere arbeidsmarktposities bij partners blijkt dat er zowel sprake is van homogamie (in leeftijd, etniciteit en opleidingsniveau) als van partnereffecten. Voor de verklaring van gedeelde arbeidsmarktomstandigheden werd echter geen empirische steun gevonden.

HOOFDSTUK 5 – DE GEVOLGEN VAN EEN FLEXIBELE INTREDE OP DE ARBEIDSMARKT VOOR ONTWIKKELINGEN IN DE VROEGE BEROEPSLOOPBAAN IN NEDERLAND

Waar ik mij in de vorige hoofdstukken gericht heb op de oorzaken (oftewel het verklaren) van tijdelijk werk onder jonge individuen en koppels, richt ik mij in de laatste twee (empirische) hoofdstukken op de gevolgen van een tijdelijke baan bij arbeidsmarktintrede. In hoofdstuk 5 bestudeer ik welke gevolgen een tijdelijke eerste baan heeft voor verschillende arbeidsmarktuitskomsten gedurende de eerste acht jaar van de beroepsloopbaan, namelijk de daaropvolgende arbeidsmarktposities, beroepsstatus en het inkomen dat men verdient. In de literatuur worden theorieën met tegengestelde verwachtingen aangedragen als het gaat om de gevolgen van tijdelijk werk in de vroege loopbaan: valtheorieën versus brug- of opstaptheorieën. Valtheorieën voorspellen dat tijdelijk werk bij arbeidsmarktintrede een langdurige negatieve invloed heeft op verdere loopbaan-

ontwikkelingen, zogenoemde littekeneffecten. Theorieën waarop een negatief effect gebaseerd is zijn de arbeidsmarktsegmentatietheorie, de signaleringstheorie en de menselijk kapitaaltheorie. Brug- of opstaptheorieën, daarentegen, voorspellen dat eventuele negatieve effecten van tijdelijk werk bij intrede ook slechts tijdelijk van aard zijn en vervagen naarmate de loopbaan vordert of zelfs überhaupt niet bestaan. Deze laatste theorieën voorspellen dus dat een tijdelijke baan aan het begin van de loopbaan een opstap kan vormen naar een meer zekere baan verderop in de loopbaan.

In hoofdstuk 5 tracht ik de houdbaarheid van beide theorieën te toetsen door de gevolgen van tijdelijk werk te differentiëren naar sociale groepen, namelijk op basis van opleidingsniveau. Zoals reeds aangegeven heerst in de literatuur over het algemeen de verwachting dat de gevolgen van arbeidsmarktflexibilisering met name gevoeld worden door lagere sociale groepen, waardoor zij vaak als slachtoffer van het flexibiliseringproces beschouwd worden. De verwachting is daarom dat valtheorieën meer van toepassing zijn op lageropgeleiden, terwijl brug- of opstaptheorieën beter toepasbaar lijken op hogeropgeleiden. De onderzoeksvragen die in hoofdstuk 5 aan bod komen zijn: *In welke mate heeft een tijdelijke eerste baan negatieve gevolgen voor ontwikkelingen in de vroege beroepsloopbaan (voor de daaropvolgende arbeidsmarktpositie(s), beroepsstatus en het inkomen) van Nederlandse arbeidsmarktintreders sinds de jaren negentig? In hoeverre zijn deze negatieve gevolgen langdurig? En in welke mate verschillen deze negatieve gevolgen tussen intreders met uiteenlopende opleidingsniveaus?*

Om deze vragen te beantwoorden heb ik data van het (OSA) Arbeidsaanbodpanel uit 1988 tot en met 2008 geanalyseerd, waarbij enkel schoolverlaters geselecteerd zijn. De bevindingen met betrekking tot de arbeidsmarktposities tot en met het achtste jaar na intrede en volgend op de eerste positie zijn gebaseerd op multiniveau multinomiale logistische regressie modellen, waarbij de kans op tijdelijk werk en de kans op werkloosheid simultaan zijn afgezet tegen de kans op een vaste baan. Hiervoor zijn 473 respondenten geselecteerd, welke het lagere analyseniveau vormen, met in totaal 901 observaties, welke het hogere analyseniveau vormen. De resultaten met betrekking tot de ontwikkelingen in beroepsstatus en inkomen vanaf de eerste baan tot en met het achtste jaar na intrede zijn gebaseerd op groei modellen (oftewel multiniveau lineaire regressie modellen), waarvoor respectievelijk 973 en 899 respondenten geselecteerd zijn, welke het lagere analyseniveau vormen, met in totaal respectievelijk 1.831 en 1.621 observaties, welke het hogere analyseniveau vormen.

De resultaten in hoofdstuk 5 laten eenduidig zien dat schoolverlaters die de arbeidsmarkt betreden in een tijdelijke baan een grotere kans hebben om daarna opnieuw in een tijdelijke positie terecht te komen of werkloos te worden, een lagere beroepsstatus te bereiken en een lager salaris te hebben dan schoolverlaters die starten in een vaste baan. Deze negatieve gevolgen van een tijdelijke baan bij intrede blijken echter slechts tijdelijk van aard te zijn en ebben binnen een paar jaar na intrede weg, waarna men op het niveau uitkomt van mensen die in een vaste baan gestart zijn. Deze bevindingen geven aanleiding

voor het bevestigen van de brug- of opstaphypothese en het verwerpen van de valhypothese. Op basis van de resultaten uit hoofdstuk 5 kan tot slot geconcludeerd worden dat de negatieve gevolgen van een tijdelijke eerste baan niet verschillen tussen lager- en hogeropgeleide schoolverlaters.

HOOFDSTUK 6 – DE GEVOLGEN VAN MACRO- EN MICRO-ECONOMISCHE ONZEKERHEDEN VOOR GEZINSVORMING IN NEDERLAND

In hoofdstuk 5 heb ik de gevolgen van een tijdelijke eerste baan voor daaropvolgende ontwikkelingen in de beroepsloopbaan onderzocht en in hoofdstuk 6 bestudeer ik welke gevolgen tijdelijk werk in de vroege beroepsloopbaan heeft voor een geheel ander levensdomein, namelijk gezinsvorming. In het algemeen is de verwachting dat de financiële nadelen van een onzekere arbeidsmarktpositie als een tijdelijke baan, zoals vastgesteld in hoofdstuk 5, samen met de verhoogde kans op concentratie van onzekere arbeidsmarktposities binnen één huishouden, zoals vastgesteld in hoofdstuk 4, leiden tot uitstel van langetermijnbeslissingen rondom gezinsvorming, zoals het huwelijk en ouderschap. In hoofdstuk 6 richt ik mij niet alleen op economische onzekerheid op individueel niveau (dus wat betreft de arbeidsmarktpositie), maar bestudeer ik ook in welke mate macro-economische onzekerheid, zoals hoge werkloosheid, leidt tot uitstel van gezinsvorming en in hoeverre dit effect verklaard wordt door onzekerheid op individueel niveau, zoals het hebben van een tijdelijke baan. Daarnaast onderzoek ik in welke mate beide typen (economische) onzekerheden elkaar versterken in hun effect op de kans dat koppels gaan samenwonen, trouwen of hun eerste kind verwachten. Tot slot, bestudeer ik in dit hoofdstuk in hoeverre de invloed van beide typen onzekerheden verschilt tussen mannen en vrouwen met uiteenlopende opleidingsniveaus. De onderzoeksvragen in hoofdstuk 6 luiden als volgt: *In welke mate leiden macro-economische onzekerheden tot een kleinere kans op gezinsvorming onder jonge individuen en hun partners en in hoeverre wordt deze relatie verklaard door een onzekere arbeidsmarktpositie? In welke mate wordt het negatieve effect van een onzekere arbeidsmarktpositie op de kans op gezinsvorming versterkt door macro-economische onzekerheden? En in hoeverre verschillen de negatieve effecten van macro-economische onzekerheden en een onzekere arbeidsmarktpositie op de kans op gezinsvorming tussen lager- en hogeropgeleide mannen en vrouwen?*

Om deze vragen te beantwoorden heb ik gebeurtenissenanalyse toegepast op data van de Familie-enquête Nederlandse Bevolking (FNB) uit 2000, waarvoor 365 mannelijke en 364 vrouwelijke partners zijn geselecteerd. Door middel van 'piecewise constant' exponentiële modellen is de maandelijkse kans op het voor het eerst gaan samenwonen en voor het eerst trouwen geschat, net als de kans op het krijgen van een eerste kind, vanaf het moment dat men een relatie met elkaar heeft.

Op basis van de resultaten in hoofdstuk 6 kan geconcludeerd worden dat macro-economische onzekerheden, namelijk hoge werkloosheid, de kans verkleinen dat men gaat samenwonen of trouwen, maar dit geldt niet voor de kans dat men vader of moeder wordt. Deze effecten van macro-economische onzekerheden blijkt niet te lopen via individuele arbeidsmarktonzekerheden, zoals een tijdelijke baan of werkloosheid; sterker nog, zulke individuele onzekerheden beïnvloeden de kans op gezinsvorming niet. Dit betekent dat ook mensen met een vaste baan in economisch onzekere tijden besluiten om gezinsvorming nog even uit te stellen. Verder kan geconcludeerd worden dat macro-economische onzekerheden en individuele arbeidsmarktonzekerheid elkaar niet versterken in hun effect op de kans op gezinsvorming. Het hebben van een tijdelijke baan of werkloos zijn zorgt dus niet of niet in het bijzonder voor uitstel van gezinsvorming onder ongunstige economische omstandigheden. Tot slot geven de bevindingen in hoofdstuk 6 geen aanleiding voor het bestaan van opleidingsspecifieke effecten van macro-economische tegenspoed of individuele arbeidsmarktonzekerheden op de kans op gezinsvorming. De gevonden negatieve invloed van macro-economische omstandigheden en het afwezige effect van een onzekere arbeidspositie op gezinsvorming worden dus onder zowel lager- als hogeropgeleiden gevonden.

HOOFDSTUK 7 – CONCLUSIE EN DISCUSSIE

In dit boek heb ik de oorzaken en gevolgen van tijdelijk werk onder jongeren in Nederland (en Europa) onderzocht. In hoofdstuk 7 geef ik antwoord op de twee centrale vragen van dit boek. Mijn conclusie omtrent de oorzaken van tijdelijk werk onder jongeren luidt dat de flexibilisering van de arbeidsmarkt in Nederland sinds de jaren negentig inderdaad de individuele kans vergroot om de arbeidsmarkt te betreden in een tijdelijke baan. Daarnaast hebben jongeren met een tijdelijke baan een grotere kans om een partner te hebben die ook een tijdelijke baan heeft of werkloos is. Dit betekent dat er cumulatie plaatsvindt van onzekere arbeidsposities binnen Nederlandse huishoudens. Macro-economische tegenspoed, namelijk hoge werkloosheid, blijkt een verklaring te vormen voor de toename in het aantal tijdelijke contracten, met name onder lageropgeleide intreders op de arbeidsmarkt. Ook structurele factoren, namelijk economische globalisering, leiden tot meer flexibele arbeidsrelaties binnen een land, wederom onder lageropgeleide arbeidsmarktintreders in het bijzonder, hoewel ze bij vergelijking tussen landen tot minder flexibele arbeidsrelaties leiden. Wat betreft de institutionele context blijkt dat naarmate een onderwijssysteem in een land meer beroepsgericht is, de kans op een tijdelijke baan kleiner is en dit geldt met name voor middelbaar- en hogeropgeleide arbeidsmarktintreders. Tot slot vergroot striktere werkgelegenheidsbeschermende wet- en regelgeving in een land de kans op tijdelijk werk, met name onder hogeropgeleide arbeidsmarktintreders. Wat betreft de gevolgen van tijdelijk werk onder jongeren luidt mijn conclusie dat tijdelijk werk bij arbeidsmarktintrede negatieve gevolgen heeft voor de verdere ontwikkeling van

de beroepsloopbaan. Dit vertaalt zich in een grotere kans om opnieuw in tijdelijk werk terecht te komen, werkloos te worden, een lagere beroepsstatus te bereiken en minder inkomen te verdienen. Deze negatieve effecten verdwijnen echter na een aantal jaren op de arbeidsmarkt. Tijdelijk werk in de vroege beroepsloopbaan blijkt echter niet van invloed op beslissingen rondom gezinsvorming, zoals (de eerste keer) te gaan samenwonen, te trouwen of aan kinderen te beginnen. Tot slot blijken er geen verschillen tussen lager- en hogeropgeleiden te bestaan in de (eventuele) negatieve effecten van tijdelijk werk voor verdere loopbaanontwikkelingen en beslissingen rondom gezinsvorming. Door het beantwoorden van de centrale onderzoeksvragen hoopte ik op ten minste zes manieren bij te dragen aan de bestaande kennis op het gebied van arbeidsmarktflexibilisering in Nederland. Ten eerste heb ik door zowel de oorzaken als gevolgen van arbeidsmarktflexibilisering specifiek voor de groep jongeren te onderzoeken meer inzicht kunnen bieden dan tot nu toe bekend was in de grootte en ernst van tijdelijk werk als mogelijk probleem onder jongeren. Hier kom ik bij het bespreken van de maatschappelijke implicaties nog op terug.

Ten tweede heb ik een meer genuanceerd en completer beeld van (de ontwikkelingen in) tijdelijk werk in Nederland kunnen verschaffen door aan te tonen dat over de tijd alle groepen jongeren een grotere kans gekregen hebben om een tijdelijke baan te hebben, maar dat de implicaties van deze trend wel degelijk verschillen tussen lager- en hogeropgeleide jongeren. Ook hier kom ik nog op terug bij het bespreken van de maatschappelijke implicaties. Daarnaast heb ik laten zien dat de gevolgen van tijdelijk werk aan het begin van de beroepsloopbaan voor verdere loopbaanontwikkelingen en de kans op gezinsvorming niet zo ernstig lijken te zijn.

Een derde doel was om verschillende verklaringen (op macroniveau) voor arbeidsmarktflexibilisering tegelijkertijd te onderzoeken. Uit mijn onderzoek blijkt dat zowel macro-economische, structurele als institutionele factoren elk hun eigen belang kennen in het verklaren van tijdelijk werk. Structurele verklaringen duiden op een toenemende trend in tijdelijk werk, macro-economische verklaringen leggen uit waarom deze trend fluctueert en niet onafgebroken stijgt en institutionele verklaringen laten zien waarom de arbeidsmarktintegratie van jongeren in Nederland nog steeds redelijk soepel verloopt, in vergelijking met de rest van Europa. Ook heeft mijn onderzoek laten zien dat lager- en hogeropgeleiden anders beïnvloed worden door deze macromerken en -processen. Ten vierde heb ik in dit boek gangbare theorieën met betrekking tot de gevolgen van tijdelijk werk, namelijk val- en brugtheorieën, tegenover elkaar gezet en op een strenge manier getoetst door te onderzoeken in hoeverre deze gevolgen aanhouden gedurende de vroege loopbaan en in welke mate ze verschillen tussen sociale groepen. De resultaten wezen het meest in de richting van de brugtheorieën en ondersteunden de verwachting dat de gevolgen opleidingsspecifiek zijn niet. Deze laatste conclusie kan echter te wijten zijn aan een tekort aan statistische power en moet dan ook voorzichtig geïnterpreteerd worden.

Ten vijfde heb ik in deze studie aangetoond dat de implicaties van tijdelijk werk verder reiken dan individuen: zij hebben ook betrekking op de partners van mensen met een tijdelijke baan. Tijdelijk werk blijkt zich te cumuleren binnen huishoudens, wat sociale ongelijkheid tussen huishoudens in Nederland vergroot naarmate de arbeidsmarkt flexibiliseert. Deze bevindingen laten zien dat het belangrijk is om de partner te (blijven) betrekken in onderzoek naar de oorzaken en gevolgen van tijdelijk werk.

Ten zesde heb ik dankzij het gebruik van verschillende grootschalige databronnen uiteenlopende vragen kunnen beantwoorden en verschillende geavanceerde statistische regressietechnieken toe kunnen passen. Wat betreft de oorzaken van tijdelijk werk heeft mijn onderzoek duidelijke en significante bevindingen opgeleverd, ook met betrekking tot het bestaan van opleidingsspecifieke effecten. De conclusies over de gevolgen van tijdelijk werk, zowel wat betreft loopbaanontwikkelingen als de kans op gezinsvorming, moeten echter met voorzichtigheid geïnterpreteerd worden. Langdurige negatieve gevolgen en heterogeniteit naar opleidingsniveau hierin konden niet worden vastgesteld, wat mogelijk te wijten is aan een tekort aan statistische power. Dit houdt in dat het aantal arbeidsmarktintreders met een tijdelijke baan in de analytische steekproef mogelijk te klein was om statistisch significante effecten te vinden. Met name bij het schatten van opleidingsspecifieke effecten kan dit problematisch zijn. De conclusies over de gevolgen van tijdelijk werk moeten dus als voorlopig worden beschouwd.

De bevindingen in dit boek kennen enkele belangrijke maatschappelijke implicaties. In het algemeen geldt dat het vanaf de jaren negentig voor alle Nederlandse jongeren moeilijker is geworden om een vaste baan te verkrijgen bij intrede op de arbeidsmarkt en dat zij vaker in tijdelijk werk terechtkomen. Echter, mijn onderzoek heeft uitgewezen dat de negatieve kant van arbeidsmarktflexibilisering overheerst onder lageropgeleiden, dat wil zeggen dat tijdelijk werk in de plaats komt van vast werk, terwijl de positieve kant ervan, namelijk een tijdelijke baan ter voorkoming van werkloosheid, voornamelijk geldt voor hogeropgeleiden.

Ook blijken de implicaties van de flexibilisering van de arbeidsmarkt verder te reiken dan individuen, namelijk tot huishoudens. Mensen met tijdelijk werk hebben vaker een partner die ook een tijdelijke baan heeft of werkloos is, ten opzichte van mensen met een vaste baan. Naarmate de arbeidsmarkt dus flexibiliseert zal het aantal huishoudens met veel arbeidsmarktonzekerheid toenemen en de sociale ongelijkheid tussen huishoudens groeien.

Wat betreft de gevolgen van tijdelijk werk bij arbeidsmarktintrede voor verdere loopbaanontwikkelingen en gezinsvorming zijn de bevindingen in dit boek duidelijk. Ondanks de positieve boodschap die volgt uit het feit dat er buiten de kortdurende negatieve gevolgen voor de beroepsloopbaan geen duidelijke langdurige gevolgen werden gevonden, blijft het een feit dat er steeds meer jongeren terechtkomen in tijdelijke banen en dus te maken krijgen met ten minste een aantal jaren van onzekerheid aan het begin van de loopbaan. Het is niet ondenkbaar dat dit stress en andere ongemakken veroorzaakt bij deze groep mensen, hoewel dat in dit boek verder niet is onderzocht.

Gezien de (tijdelijke) onzekerheden waar mensen met tijdelijk werk mee te kampen hebben en de groeiende sociale ongelijkheden tussen individuen en huishoudens naarmate de arbeidsmarkt flexibiliseert, lijkt het wenselijk om deze ontwikkelingen tegen te gaan, vanzelfsprekend alleen indien dit niet tot meer werkloosheid leidt maar tot meer vaste banen. Op twee terreinen bieden de bevindingen in dit boek hier aanknopingspunten voor. Ten eerste is gebleken dat beroepsonderwijs een belangrijke rol speelt bij het begeleiden van jongeren naar een vaste baan. Ondanks dat het Nederlandse onderwijssysteem al redelijk beroepsgericht is, zou het duale systeem waarin theoretisch onderwijs gecombineerd wordt met praktische werkervaring, zoals in Duitsland, als voorbeeld kunnen dienen voor ons land. Ten tweede is gebleken dat werkgelegenheidsbeschermende wet- en regelgeving de arbeidsmarktintegratie van jongeren bemoeilijkt. Dergelijke wetgeving is in Nederland relatief strikt en versoepeling van het ontslagrecht lijkt dus ten goede te komen aan de integratie van jongeren op de arbeidsmarkt.

Tot slot noem ik enkele beperkingen van en kanttekeningen bij mijn onderzoek en, daarmee samenhangend, een aantal suggesties voor vervolgonderzoek op het terrein van arbeidsmarktflexibilisering. Ten eerste is er discussie mogelijk over de gehanteerde definitie van flexibele arbeidsrelaties in dit boek, namelijk banen met een arbeidscontract van minder dan één jaar zonder uitzicht op een vast contract en/of voor een onbepaald aantal uren. De gebruikelijke grens voor tijdelijke contracten ligt dus bij één jaar. Eenjarige contracten worden in Nederland vaak gebruikt als een soort verlengde proeftijd, waarna doorgaans een vast contract aangeboden wordt. Dergelijke contracten beschouw ik in mijn onderzoek daarom niet als tijdelijke contracten, maar het staat ter discussie of deze definitie wellicht te beperkt is. Als gevolg van deze definitiekeuze kan het aantal jongeren dat getroffen wordt door flexibilisering van de arbeidsmarkt onderschat worden in dit onderzoek. Daar staat echter tegenover dat de conclusies in dit boek gebaseerd zijn op de meest arbeidsonzekere groep intreders in Nederland en dienen dus ook in dat licht geïnterpreteerd te worden.

Een tweede punt van discussie is de gebruikte indeling naar opleidingsgroepen voor het differentiëren van de oorzaken en gevolgen van tijdelijk werk in dit boek. Deze indeling is namelijk betrekkelijk breed: behalve in de hoofdstukken 2 en 4 wordt er in de andere hoofdstukken slechts een onderscheid gemaakt tussen lager-, middelbaar- en hogeropgeleiden. 'Lager' verwijst naar individuen met BO of LBO, 'middelbaar' naar individuen met MAVO, HAVO/VWO of MBO en 'hoger' naar individuen met HBO, WO of WO+. In de meeste hoofdstukken was het om statistische redenen niet mogelijk een specifiekere indeling naar opleidingsniveau te maken. Dit zou wel aanbevelenswaardig zijn voor toekomstig onderzoek, aangezien er bijvoorbeeld verschillen verwacht kunnen worden tussen HBO- en WO-opgeleiden, die nu niet vastgesteld kunnen worden.

Ten derde ligt in dit boek over arbeidsmarktflexibilisering de focus op jongeren, maar ook de groep van ouderen (60-plussers) zou in vervolgonderzoek aandacht verdienen. Ook al zijn de absolute aantallen ouderen met tijdelijk werk laag, na jongeren hebben zij wel de

grootste kans om in dergelijke banen terecht te komen. In tegenstelling tot jongeren hebben ouderen echter niet de kans om de mogelijke negatieve gevolgen van tijdelijk werk nog te 'repareren', omdat zij reeds aan het einde van hun loopbaan zitten. Dit heeft mogelijk gevolgen voor, bijvoorbeeld, de hoogte van hun pensioen.

Ten vierde heb ik in verschillende hoofdstukken de invloed van economische globalisering op flexibilisering van de arbeidsmarkt onderzocht, als indicator voor structurele ontwikkelingen. Er kan echter kritiek geleverd worden op het bestuderen van een dergelijke brede maat, die gestaag toeneemt over de tijd en wellicht niet in staat is de invloed van meer specifieke, onderliggende processen of structurele ontwikkelingen vast te stellen. Voor toekomstig onderzoek is het daarom interessant de invloed van meer specifieke verklaringen te bestuderen en te onderzoeken of deze inderdaad het effect van economische globalisering op arbeidsmarktflexibilisering kunnen interpreteren, zoals ik in dit boek beargumenteer.

Ten vijfde konden de gevolgen van tijdelijk werk voor verdere loopbaanontwikkelingen en gezinsvorming nauwelijks worden vastgesteld in dit onderzoek, zoals eerder uitgelegd. Echter, voordat de meer algemene conclusie getrokken kan worden dat tijdelijk werk geen negatieve gevolgen heeft, zou er in toekomstig onderzoek op ten minste drie manieren voortgebouwd moeten worden op dit thema. Zo is het aanbevelenswaardig om de analyses met betrekking tot de gevolgen van tijdelijk werk te herhalen op grotere datasets. Daarnaast zou het goed zijn om ook de economische crisis die in 2008 ontstaan is in toekomstige analyses te betrekken, aangezien macro-economische tegenspoed een belangrijke factor bleek in het verklaren van tijdelijk werk en ook tot uitstel van gezinsvorming bleek te leiden. Tot slot zouden de gevolgen van tijdelijk werk door middel van andere indicatoren onderzocht kunnen worden in vervolgonderzoek. Wat betreft loopbaanontwikkelingen zijn in dit boek alleen objectieve indicatoren bestudeerd, zoals arbeidsmarktpositie(s), beroepsstatus en inkomen, terwijl meer subjectieve gevolgen, zoals baantevredenheid van werknemers met tijdelijk werk, buiten beschouwing zijn gelaten. Op het gebied van gezinsvorming is nu slechts uitstel van het eerste kind onderzocht, terwijl wellicht juist uitstel plaatsvindt van een tweede, derde of nog later kind.

Ten zesde is het interessant voor toekomstig onderzoek om ook op andere terreinen en levensdomeinen onderzoek te doen naar de mogelijke gevolgen van tijdelijk werk onder jongeren, bijvoorbeeld wat betreft het sociale leven. Hierbij valt te denken aan sociale participatie, isolatie of uitsluiting, of bijvoorbeeld gezondheid, mentaal welbevinden, armoede, of mogelijkheden voor het verkrijgen van een hypotheek, maar ook aan bijvoorbeeld de kans om in criminaliteit terecht te komen of andere sociale problemen te hebben.

Een zevende en laatste punt waarop vooruitgang kan worden geboekt is het landen-vergelijkend bestuderen van de gevolgen van tijdelijk werk. In dit boek heb ik enkel de oorzaken van tijdelijk werk tussen landen vergeleken, maar het is ook interessant te

onderzoeken of de bevindingen over de gevolgen van tijdelijk werk in Nederland (dat wil zeggen het gebrek aan het bestaan van deze gevolgen) gerepliceerd worden in onderzoek in andere landen. Dit zou een strengere toets opleveren van de val- versus brugtheorieën, die domineren in onderzoek naar de gevolgen van tijdelijk werk. Daarnaast biedt het ook de mogelijkheid om institutionele verklaringen te onderzoeken voor de mogelijke gevolgen van tijdelijk werk en verschillen tussen landen hierin.



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Curriculum vitae

Marloes de Lange was born in Nijmegen, the Netherlands, on the 7th of July 1985. She completed her secondary education at the Dominicus College in Nijmegen in 2003. Hereafter, she started studying Sociology at the Radboud University Nijmegen and was a visiting student at the European University Institute in San Domenico di Fiesole, Italy, from February to May 2006, hosted by prof. dr. Jaap Dronkers. After obtaining her Bachelor's degree in 2006, she enrolled in the Research Master's programme Social and Cultural Science at the Radboud University Nijmegen, obtaining her Master's degree cum laude in 2008. In September of that year, she became a PhD student at the Interuniversity Center for Social Science Theory and Methodology (ICS). She conducted the present research at the Department of Sociology at the Radboud University Nijmegen. In May and June 2011, she was a visiting scholar at the Otto-Friedrich-Universität Bamberg in Bamberg, Germany, hosted by dr. Sandra Buchholz. Currently, she holds a position as postdoctoral researcher and lecturer at the Department of Sociology/ICS at the Radboud University Nijmegen.



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Labour markets in (post-)industrialized countries have changed considerably in the last decades. Especially since the 1990s, employment relations have become increasingly flexible. This implies that a growing part of the labour force is employed in temporary jobs or through employment agencies nowadays, particularly at labour market entry. Temporary jobs provide less security than jobs with a permanent contract, but more security compared to unemployment.

This study examines how flexibilization of the labour market affects the lives of young individuals in the Netherlands and Europe since the 1990s, using various types of large-scale survey data and applying advanced statistical regression techniques. What are the causes of employment flexibility at labour market entry? And what are the consequences for further career developments and family formation? Based on the contents of five empirical chapters, this book shows that labour market flexibilization has important implications for young people, which diverge between lower and higher educated individuals.

Marloes de Lange (1985) obtained a Research Master's degree in Social and Cultural Science (Radboud University Nijmegen, 2008) cum laude. The present study was conducted at the Interuniversity Center for Social Science Theory and Methodology (ICS) in Nijmegen. Currently, she is employed as a postdoctoral researcher and lecturer at the Department of Sociology/ICS at the Radboud University Nijmegen.

ISBN 978-90-90-27790-5



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